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NOMINATION OF LINDA GAIL MORRISON COMBS, THOMAS JAMES DUESTERBERG, WADE FREDERICK HORN, AND GWENDOLYN STEWART KING

HEARING

BEFORE THE

COMMITTEE ON FINANCE
UNITED STATES SENATE

ONE HUNDRED FIRST CONGRESS

FIRST SESSION

ON THE

NOMINATION OF

LINDA GAIL MORRISON COMBS, ASSISTANT SECRETARY-DESIGNATE FOR MANAGEMENT, U.S. DEPARTMENT OF THE TREASURY; THOMAS JAMES DUESTERBERG, ASSISTANT SECRETARY-DESIGNATE FOR INTERNATIONAL ECONOMIC POLICY, U.S. DEPARTMENT OF COMMERCE; WADE FREDERICK HORN, CHIEF-DESIGNATE, CHILDREN'S BUREAU AND COMMISSIONER-DESIGNATE, ADMINISTRATION OF CHILDREN, YOUTH AND FAMILIES, OFFICE OF HUMAN DEVELOPMENT SERVICES, U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES; AND GWENDOLYN STEWART KING, COMMISSIONER-DESIGNATE, SOCIAL SECURITY ADMINISTRATION

JULY 25, 1989

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NOMINATION OF LINDA M. COMBS, THOMAS JAMES DUESTERBERG, WADE FREDERICK HORN, AND GWENDOLYN STEWART KING

TUESDAY, JULY 25, 1989

U.S. SENATE,
COMMITTEE ON FINANCE,
Washington, DC.

The hearing was convened, pursuant to notice, at 10:03 a.m., in room SD-215, Dirksen Senate Office Building, Hon. Lloyd Bentsen (chairman of the committee) presiding.

Also present: Senators Moynihan, Pryor, Rockefeller, Roth, Danforth, Heinz, Durenberger, and Symms.

[The press release announcing the hearing follows:]

[Press Release No. M-6, July 21, 1989]

FINANCE COMMITTEE TO MARKUP DEBT LIMIT BILL, CONSIDER NOMINEES FOR COMMERCE, HHS, TREASURY, AND SOCIAL SECURITY

WASHINGTON, DC—Senator Lloyd Bentsen (D., Texas), Chairman, announced Friday that the Finance Committee will hold a markup on H.J. Res. 280, a bill to increase the public debt limit.

The committee will also hold a hearing and executive session on four nominees for positions with the Departments of Commerce, Health and Human Services, and Treasury, and the Social Security Administration.

The hearing, executive session and markup are scheduled for *Tuesday, July 25, 1989 at 10 a.m.* in Room SD-215 of the Dirksen Senate Office Building.

Thomas James Duesterberg has been nominated to be Assistant Secretary for International Economic Policy at the Department of Commerce. Previously, Mr. Duesterberg was Assistant to the Vice President and Deputy Chief of Staff to the Vice President.

Wade Frederick Horn, Ph.D., has been nominated to be Chief of the Children's Bureau/Commissioner for the Administration on Children, Youth and Families (ACYF) within the Office of Human Development Services in the Department of Health and Human Services. Dr. Horn was Director of Outpatient Psychological Services at Children's Hospital National Medical Center before joining the transition team at HHS.

Linda Gail Morrison Combs, previously Deputy Associate Deputy Administrator for Management at the Veterans Administration, has been nominated to be Assistant Secretary for Management at the Treasury.

Gwendolyn Stewart King has been nominated to be Commissioner of Social Security. She has been executive vice president of the Washington firm of Gogol and Associates, and also has served as Deputy Assistant to President Reagan and Director of the White House Office of Intergovernmental Affairs and senior legislative assistant to Senator John Heinz.

OPENING STATEMENT OF HON. LLOYD BENTSEN, A U.S. SENATOR FROM TEXAS, CHAIRMAN, SENATE FINANCE COMMITTEE

The CHAIRMAN. Ms. King, would you come forward, please.

Ms. KING. Yes, sir.

The CHAIRMAN. Senator Heinz, as I understood it, you were going to be introducing Ms. King.

Ms. King has been nominated by President Bush to be the Commissioner of the Social Security Administration. She comes to the Administration from her position as Vice President of Gogol & Associates in Washington, DC where she has been employed since April of 1988. Between 1986 and 1988 she was a Deputy Assistant to the President and Director of the Office of Intergovernmental Affairs at the White House. Prior to that she worked at the Washington Office of the Governor of Pennsylvania. Between 1978 and 1979 she was a Legislative Assistant to U.S. Senator John Heinz.

I tell you, Senator, I am not going to introduce her; you are going to introduce her. So why don't you go ahead before we duplicate ourselves.

OPENING STATEMENT OF HON. JOHN HEINZ, A U.S. SENATOR FROM PENNSYLVANIA

Senator HEINZ. Mr. Chairman, you were doing such a good job. I hate to interrupt you. You seem to be on a roll. Let me ask unanimous consent that my entire marks be placed in the record.

The CHAIRMAN. Yes, of course.

[The prepared statement of Senator Heinz appears in the appendix.]

Senator HEINZ. Mr. Chairman, obviously, it is a personal pleasure for me to be able to introduce, in a sense reintroduce to the committee, a former very able staff member, Gwendolyn King, who is accompanied I might add here today by her husband, Colby King and by her three children.

It is, I think, an excellent nomination that President Bush has made in choosing and submitting the nomination of Gwen King for the position of Commissioner of the Social Security Administration.

Of course, this committee, not only feels a very great responsibility for the proper administration of the Social Security Administration, but it is very comforting for us to know that whoever holds the job of Commissioner comes to that job with a multiple appreciation.

First, that appreciation needs to be for the people that that Administration serves, the nearly 38 million beneficiaries. Secondly, since the Social Security Administration is a creation of the Congress, it is important for whoever holds that job to understand that the directions and policies that we in Congress set. And understanding the method by which we set them—the legislative process and the democratic expression of the people—is absolutely essential and, indeed, paramount. Of course, since there are numerous issues that we do not specifically address which are delegated to an Administration of which Gwen King, if confirmed, will be a part, it is important to have a very good working knowledge of how the Executive Branch operates and what one's responsibilities are in that regard.

Gwen King has other attributes. I will not do her justice in saying that she fulfills all three of those criteria and has in her resume as well as indelibly etched, I suspect, through her service, both with me in her capacity for many Finance Committee issues, her background working at what was then the Department of Health, Education and Welfare, in a variety of positions, as well as at HUD. She understands the Executive Branch, literally, from the ground floor up to the White House lobby.

There is nobody I obviously take more pleasure in introducing to the committee than someone who has not only the knowledge but has served the public very, very well in a variety of increasingly challenging and vital capacities.

Mr. Chairman, it is with that conclusion that I am delighted to have this opportunity to introduce Gwen King to the committee.

The CHAIRMAN. Thank you, Senator. I know the high regard and personal knowledge that the distinguished Senator of New York has for Ms. King and I defer to any comments he might make.

OPENING STATEMENT OF HON. DANIEL PATRICK MOYNIHAN, A U.S. SENATOR FROM NEW YORK

Senator MOYNIHAN. Mr. Chairman, simply to welcome Ms. King, to welcome the first Administrator of this most exceptional agency that we have had in a very long while, perhaps ever, with the kind of deep experience of the Federal Government that Senator Heinz mentioned. It is rare that someone can have served as a desk officer in the health sections and HEW, and rise to the White House, and go on to what we hope will 1 day be an independent and autonomous institution of the Federal Government—although Ms. King is under the strictest instructions not to indicate that she even knows what I'm talking about.

Mr. Chairman, to just make a very serious point, in the last 16 years there have been 10 Administrators of the Social Security Administration—10 different persons in 16 years. The Agency very much needs a period of stability and leadership that is at once steady and directed and which is around long enough to see things change. I have had the nicest conversations with Ms. King. I know that she wants to be such a person and I very much expect that she will be.

The CHAIRMAN. Thank you.

Senator Roth, any comments that you might have?

OPENING STATEMENT OF HON. WILLIAM V. ROTH, JR., A U.S. SENATOR FROM DELAWARE

Senator ROTH. Mr. Chairman, if I may, I will be very brief. I, too, want to welcome Gwendolyn King. I think we are all very happy with this excellent choice by President Bush. There is no one who has greater experience and background for assuming this job of such tremendous responsibility. It affects, I think, something like 170 million Americans. You have almost 80,000 employees. So it is a tremendous job and a tremendous challenge. We look forward to working with you and wish you the very best in your future endeavors.

Thank you, Mr. Chairman. I would ask that my full statement be included in the record.

The CHAIRMAN. Yes, of course.

[The prepared statement of Senator Roth appears in the appendix.]

The CHAIRMAN. Well, it is quite a responsibility with some 39 million beneficiaries. I also note that you have served in positions of responsibility under both Democratic and Republican Presidents. That will help keep you in good stead as you try to be objective, bipartisan or nonpartisan, in the Administration of that responsibility.

Ms. King, we would be pleased to have any statement that you want to make.

STATEMENT OF GWENDOLYN STEWART KING, COMMISSIONER-DESIGNATE, SOCIAL SECURITY ADMINISTRATION

Ms. KING. Thank you, Mr. Chairman, and thank you to the members of the committee.

When I entered the Social Security Office in Newark, New Jersey shortly after my 16th birthday, it never would have occurred to me that 1 day the President would nominate me to be the Commissioner of the Social Security Administration. I would just like to take this opportunity to express my thanks to President Bush, to Secretary Sullivan, and to you, Mr. Chairman, and the members of this committee for giving me this opportunity to present myself to this committee for your consideration, advice and hopefully consent.

In the intervening years between my New Jersey visit to the Social Security Administration Office, and today, I have been fortunate to come to know Social Security more than just as a card carrying member. You have heard my background enumerated already, but I can still recall the many, many days when I sat here in this very room with a lap full of papers scared to death somebody was going to turn and ask me to explain the difference between the average indexed monthly earnings and the primary insurance amount. I still do not have them right so you will have to bear with me for awhile.

Quite recently, though, while working at the White House as a Deputy Assistant to the President, I had the opportunity to become reacquainted with both the Department and the issues there. I welcome this opportunity, if confirmed, to return to a Department that I know well and to assume responsibility for a program that has served so many so well.

Despite the financial soundness of the program, important issues still must be addressed, and I know that the members of this committee have expressed concerns and sponsored legislation to address matters ranging from increasing the retirement earnings test to creating an independent agency. I mention those two because I know both of you have been quite instrumental in moving forward with those two matters.

While each legislative initiative or proposal grows out of a separate concern, in my judgment all share a common goal: to create a fairer, more efficient and humane Social Security system. That is

my goal as well, and I can assure this committee that I will pursue this goal with a single-minded passion, in consultation and cooperation with this committee, if confirmed.

Sixteen years of public service have taught me that you don't just do a job like this by yourself. The only way we can achieve our goal of a fairer, more humane, more efficient Social Security system is to ensure that all of us who will make up the Social Security work force of 65,000, as well as those who will determine the future direction of legislative guidance, dedicate ourselves to the delivery of excellent quality service to the nearly 39 million current beneficiaries and to the beneficiaries of the future.

For my part, there is no substitute for committed leadership—hands-on leadership—to achieve that end. The employees of the Social Security Administration are, by and large, skilled, talented and dedicated public servants. They deserve a leadership which respects and trusts them—a leadership which can establish and communicate our principal goals and objectives—and at the same time motivate and inspire them by example, which I hope to set; and a leadership that recognizes, thanks and rewards them for their contributions to the mission.

Social Security exists to serve its program beneficiaries. While it is true, for the most part, that most recipients of Social Security do not rely on it as a resource of income alone, it is not the whole truth. For many it is their only life line and sometimes what we do or what we fail to do could have a profound and devastating effect on their lives. We must understand the need to reach out to the most vulnerable among those we serve and ensure for them the true security that is our mission.

If confirmed as Commissioner, rest assured that I shall accept responsibility and accountability for all that SSA does or that it fails to do.

The CHAIRMAN. Thank you, Ms. King.

[The prepared statement of Ms. King appears in the appendix.]

The CHAIRMAN. Other questions?

Senator MOYNIHAN. Mr. Chairman, I have some questions which I would like to submit in writing to Ms. King.

The CHAIRMAN. Fine.

[The questions of Senator Moynihan appear in the appendix.]

The CHAIRMAN. Senator Pryor.

Senator PRYOR. Mr. Chairman, I have a statement that I would like to submit for the record and maybe one question now and then a couple questions in writing.

The CHAIRMAN. All right.

Senator PRYOR. The first question I have at this time, Mr. Chairman, is to simply congratulate you. I have looked very carefully into your background and I think that you come to this position with a tremendous philosophy of helping, as you said, as most vulnerable citizens.

Now we have seen, in the world of reality, a tremendous staff cut recently for the Social Security Administration—another 2400 reduction in staff, it is my understanding, is proposed for the next fiscal year. Now if you say that the system has got to be fair, efficient, more humane, are we going to accomplish these goals by these tremendous staff reductions?

Ms. KING. Senator, I believe there must be a real balance in the efficiency that the Social Security Administration provides and in the service that they provide. I believe that a work force that is trained and able and sufficient will be able to provide that level of service. I can assure you that if I am confirmed, I will watch this matter very closely to make sure that we are not reducing levels to the point where service to our beneficiaries would be seriously hampered or would interfere with providing them an opportunity to get speedy and efficient answers to their questions, giving them that level of comfort which I believe we owe them all.

Senator PRYOR. Well, I know that you will monitor those cuts very carefully. Hopefully, we can down the line not too far from now have a discussion about those cuts—where they will come from, how services to the most vulnerable, as you say, how they will be impacted. We look forward to working with you, not only in your role as the Commissioner, but also in looking at the many problems that this Agency now has.

Thank you very much.

Ms. KING. Thank you.

The CHAIRMAN. Thank you, Senator Pryor.

Senator Danforth?

Senator DANFORTH. No questions, Mr. Chairman.

The CHAIRMAN. Ms. King, thank you very much and we wish you well.

Ms. KING. Thank you so much, Mr. Chairman.

The CHAIRMAN. Dr. Combs, if you would come forward, please, and Senator Helms, and Senator Sanford.

Linda M. Combs has been nominated to the post of Assistant Secretary of the Treasury for Management. The Assistant Secretary is the chief advisor to the Secretary of Treasury on management practices, the annual budget, personnel practices, and expenditures. Dr. Combs has worked on management issues over the past 6 years at the Veterans Administration and the Department of Education. You are certainly going to be put to your management and organizational skills the test at the Treasury Department, which is one of the Government's largest and most complex agencies.

We are pleased to have you.

I defer to Senator Moynihan for any comment he might have.

Senator MOYNIHAN. Mr. Chairman, I thank you.

Ms. Combs, we look forward to the two distinguished introductions which she is about to receive.

Senator COMBS. Thank you.

The CHAIRMAN. Senator Pryor, do you have any comments?

Senator PRYOR. I have none, Mr. Chairman.

The CHAIRMAN. Senator Danforth?

Senator DANFORTH. No statement, Mr. Chairman.

The CHAIRMAN. Senator, would you proceed—Senator Helms.

STATEMENT OF HON. JESSE HELMS, A U.S. SENATOR FROM NORTH CAROLINA

Senator HELMS. Thank you very much, Mr. Chairman and Senator Moynihan, Senator Pryor and Senator Danforth.

I know this is a busy morning for you and for this distinguished committee—and I must return to the Foreign Relations Committee to make a quorum. As a matter of fact, you are closer to having a quorum for the Foreign Relations Committee here this morning than we do upstairs.

You and the committee have before you the biographical information on Dr. Linda Morrison Combs, so I will allude to that in my written statement, which I will ask to have included in the committee record.

The CHAIRMAN. Without objection.

Senator HELMS. What I want to emphasize, Mr. Chairman and Senators, is a little insight about this remarkable lady, which is not a part of the record, and which she does not talk about; she may not even know that I know about it. But I think that little things tell a great deal about Linda's character, her integrity, her dedication, and her compassion.

I have known Linda and her fine husband, David, for a long time—more than 17 years to be precise. I wish time permitted me to discuss the little things—which are not little at all, they are big things in terms of what humanity is all about—things that are an indication of her character. For example, she and Dave have taken children into their homes at Christmas time—children in institutions who otherwise would have had a bleak, sad Christmas—a terribly lonely one for the little ones.

When she was a school teacher, back when there was some upheaval in the schools due to court-ordered reassignment of students, she won the confidence of minority students by taking the time to make them feel special and making them understand that they had something to offer the world. She set a lot of kids on the right track. I think that is a measurement of the kind of leader she is.

Mr. Chairman, this was not being patronizing on her part, it was a demonstration of the love in this fine woman's heart. So her professional career, significant as it is, needs to be viewed in the broader context of Linda's instinctive traits of character. That, I think, is why she has served so successfully for 4 years at the U.S. Department of Education, and during the past year as the Associate Deputy Administrator for Management at the Veterans Administration. She is a lady who cares, and it comes through.

I commend her to this distinguished committee, and I commend the President of the United States for nominating Dr. Linda Combs to serve as Assistant Secretary of the Treasury for Management. I ask that the balance of my statement be printed in the record as it reads.

The CHAIRMAN. Without objection, it will be done.

[The prepared statement of Senator Helms appears in the appendix.]

The CHAIRMAN. Senator Sanford.

STATEMENT OF HON. TERRY SANFORD, A U.S. SENATOR FROM NORTH CAROLINA

Senator SANFORD. Mr. Chairman, members of the committee, thank you very much for giving me this opportunity to come and

say a word for Linda Combs, a fellow North Carolinian. I am very proud of her long record of public service. Before she came to Washington, there are many things that she did in her community in North Carolina—from community education programs to various funding drives for everything from the United Way to the Cancer Fund. She then served as the Administrator of Student Loans at one of our major banks. In fact, the bank she worked for helped start the student loan program in North Carolina. Its student loan program is now one of the best in the Nation.

And from there on, in not only community action, but here in Washington, in the management of the Department of Veteran's Affairs and the Department of Education, and now we trust to the Department of the Treasury, she brings her fine professional skills and ability to manage complicated organizations.

I certainly commend her. We are extremely proud of her and we are confident of her abilities. I solidly support this nomination.

The CHAIRMAN. Thank you.

[The prepared statement of Senator Sanford appears in the appendix.]

The CHAIRMAN. Gentlemen, I know your other responsibilities with your own committees. We appreciate very much your testimony this morning.

Senator HELMS. Mr. Chairman, thank you very much; and please, be nice to her. [Laughter.]

The CHAIRMAN. Dr. Combs, do you look on your position as one that will be purely administrative—taking care of the management practices—or do you anticipate that you will be part of policy decisions?

STATEMENT OF LINDA GAIL MORRISON COMBS, ASSISTANT SECRETARY-DESIGNATE FOR MANAGEMENT, U.S. DEPARTMENT OF THE TREASURY

Dr. COMBS. Sir, I anticipate that policy decisions relative to management practices of the Agency will be a major part of my responsibilities. I have a very strong feeling regarding management responsibilities, in that management is not just an administrative responsibility; management is a very important responsibility in any agency, because it is only with and through other people that you accomplish both policy goals and administrative goals. Those will be the kinds of measures that I would put forward to bring to this job.

The CHAIRMAN. Treasury is a very complicated Agency with a lot of varied responsibilities—it has a lot of staff, a lot of job descriptions, a lot of work flow charts. Do you think they are up to speed in that Agency on the latest management practices, computers and whatever else is needed to expeditiously accomplish the objectives of that Agency?

Dr. COMBS. I have only been there for a few weeks, sir. So I would certainly withhold some of the decisions that I would make in those regards pending further study. I have a very important job in terms of reviewing what is presently available and in terms of trying to decide what is needed. I expect that that is one of the first steps that I will be taking, is a review of that process.

The CHAIRMAN. What do you do to keep yourself up to speed on the advances in technology available today to improve management practices so that you can advise the Department? How do you tap into the private sector to see what is being done there?

Dr. COMBS. When I was at the Veterans Administration that was a very important aspect of the job that I had there. There were two or three different sources that I used in order to accomplish that. One was an information society for managers, such as myself, both in the public and private sector, where we can go and have some informal interchanges. Other things are major publications that I would review on a daily basis, in terms of trying to understand what is there. Basically, talking to people and taking advantage of other opportunities that are presented within the scope of the management responsibilities as it relates to ADP. There are various conferences that are put on for senior level employees that one can attend in order to do that.

The CHAIRMAN. What do you think about the use of outside consultants in this type of management?

Dr. COMBS. I think outside consultants can play a major role. I think they have to be carefully understood in terms of the roles that are expected of an outside consultancy before they are ever brought on. I fully believe in the management practices that are instituted within the Federal sector in order for us to use outside consultants in order to accomplish specific goals. I think they have a purpose, but they are not a be all to end all. We have inside talent as well that we must also utilize and depend on in order to accomplish our goals.

The CHAIRMAN. That is fair enough. I agree with that.

Senator Pryor?

Senator PRYOR. I have no questions, Mr. Chairman.

The CHAIRMAN. Senator Danforth.

Senator DANFORTH. No questions, Mr. Chairman.

The CHAIRMAN. Good luck, Dr. Combs.

Dr. COMBS. Thank you.

I have a statement that I would like to submit for the record.

The CHAIRMAN. All right. It will be included in its entirety.

Dr. COMBS. Thank you very much.

[The prepared statement of Dr. Combs appears in the appendix.]

The CHAIRMAN. Our next nominee will be Thomas J. Duesterberg to be Assistant Secretary of the Commerce. Mr. Duesterberg, we are pleased to have you, if you would come forward.

Mr. Duesterberg has been nominated to an important trade policy position. He will head a staff of specialists on regional and bilateral affairs, as well as an office dealing with multilateral affairs. These people provide essential expertise and support for the Administration's trade policy and negotiation efforts. He will have a significant hand, I believe, in the United States' role as we go into the Uruguay Round, as we look at EC–1992 and at what I assume will be a number of bilateral agreements that we will achieve during that period of time.

I defer now to my colleague, Senator Moynihan for any comment he might want to make.

Senator MOYNIHAN. Yes, Mr. Chairman, a most emphatic comment. It is about time we got some historians in the Department of

Commerce and not just economists. We tried economists and obviously something needs to be done, so we will see how historians do.

Mr. DUESTERBERG. Thank you, Senator.

The CHAIRMAN. I understand where you are coming from, Senator.

Senator Danforth?

Senator DANFORTH. No comments, Mr. Chairman.

The CHAIRMAN. Senator Durenberger, any comment?

Senator DURENBERGER. No, Mr. Chairman.

The CHAIRMAN. All right.

Senator Coats, we are very pleased to have you.

STATEMENT OF HON. DAN COATS, A U.S. SENATOR FROM INDIANA

Senator COATS. Thank you, Mr. Chairman.

Mr. Chairman and members the committee, it is a privilege to introduce to you a distinguished hoosier, who brings to the position of Assistant Secretary for International Economic Development an impressive academic background and an impressive background in practical experience with the political process, the administrative process, that will serve him well in this position.

Tom Duesterberg was a distinguished honors graduate of Princeton University; a Ph.D. graduate, with highest distinction, from Indiana University; a professor at Stanford; and then forsake the academic environments for Washington, DC, he served as legislative assistant and then administrative assistant to our former colleague, now Vice-President, Senator Quayle. In that position Dr. Duesterberg focused on international trade and agricultural policy—two areas which I think will be extremely important as he fulfills his duties.

It is a pleasure for me, not only to introduce him as a distinguished hoosier in terms of his academic and practical legislative experience, but as a friend and someone that I know brings some qualities that we as hoosiers like to think stand us so well as we pursue endeavors here in Washington, DC. I know Tom and have associated with him personally since 1981 and professionally know his family and know that he will be a distinguished appointee as Assistant Secretary of International Economic Policy and I commend him to you.

The CHAIRMAN. Senator Coats, thank you very much. I know you have many other responsibilities. If you would like to be excused at this time you certainly may be excused.

Senator COATS. Thank you, Mr. Chairman.

Good luck, Tom.

Mr. DUESTERBERG. Thank you.

The CHAIRMAN. Will you proceed, Mr. Duesterberg.

STATEMENT OF THOMAS JAMES DUESTERBERG, ASSISTANT SECRETARY-DESIGNATE FOR INTERNATIONAL ECONOMIC POLICY, U.S. DEPARTMENT OF COMMERCE

Mr. DUESTERBERG. Thank you, Mr. Chairman. I would like to thank Senator Coats for taking the time to come here today to introduce me. He is a man I have known a long time now and have

admired for a great number of years. It is a distinct honor for me to have him here today.

Mr. Chairman, I have a brief opening statement that I would like to go to now.

The CHAIRMAN. We would be happy to have it.

Mr. DUESTERBERG. Mr. Chairman and members of the committee, it is a great honor for me to appear before you today as the President's nominee for Assistant Secretary of Commerce for International Economic Policy. I want to thank the President for the confidence he has shown in me to assume the important responsibility of this position. I especially want to thank the Finance Committee for scheduling this hearing in a brief, expeditious period of time.

With your permission, Mr. Chairman, I have several members of my family here today I would like to introduce.

The CHAIRMAN. We would be happy to meet them.

Mr. DUESTERBERG. First, my wife, Susan, who has given me a lot of moral support over the years. Susan's sister, Joan Gould; and my mother and father-in-law, Dr. and Mrs. Chester Cooper.

[The prepared statement of Mr. Duesterberg appears in the appendix.]

The CHAIRMAN. We are pleased to have you here. Thank you.

Mr. DUESTERBERG. Mr. Chairman, I spent nearly 8 rewarding years working for the United States Senate—first, as legislative assistant and later as administrative assistant to Senator Dan Quayle from my home State of Indiana. I have a deep and abiding respect for the institution, its members, its traditions and its staff. I look forward to continuing a close working relationship with this committee and the rest of the Senate if confirmed to this position.

My primary responsibility as Assistant Secretary for International Economic Policy would be to assist the Commerce Department and the rest of the Administration in developing trade and economic policy as effective instruments in improving our international competitive position. Last year the Congress gave new tools to the Executive Branch to assure that American exporters have a fair opportunity to compete in international markets.

President Bush and Secretary Mosbacher, and their colleagues, have already signaled their determination to use these tools effectively to open markets throughout the world. If successfully reported by the committee and confirmed by Senate, I will also look forward to working with the Congress to assure a successful outcome to the Uruguay round, the prompt and fair implementation of the Canadian-U.S. Free Trade Agreement and a transparent and an open process of economic integration in Europe.

Mr. Chairman, I look forward to whatever questions you and your colleagues may have for me at this time.

The CHAIRMAN. Thank you.

One of the concerns—of those of us who were in Brussels—in looking at Europe 1992 was the adequacy of Commerce Department representation there. I have asked Ambassador Tom Niles to study that situation. Would it help you to do your job if you had people there?

Mr. DUESTERBERG. Yes, Mr. Chairman; I believe it would.

The CHAIRMAN. Are you making some headway on the matter?

Mr. DUESTERBERG. We are continuing. The Department has had several communications with Secretary Baker and Ambassador Niles. We are continuing to have discussions. I believe further discussions are needed at this time.

But to answer your question, I believe it would be very helpful to everyone in the Commerce Department to have people specifically looking at things like standards that are being developed by the community.

The CHAIRMAN. Sure.

Mr. DUESTERBERG. Someone to look out for the interests of the small business community in Brussels.

The CHAIRMAN. What we found was that the big companies were not really concerned because they have plans to build plants inside the community. They are going to build in Spain or one of the other countries. So much of the EC 1992 process is not of that much concern to them. But the small company or the middle sized company, really does not have the kind of representation they need unless the Government helps. In that regard, I think Commerce can play a very significant role.

Mr. DUESTERBERG. Senator, I understand what you are saying and appreciate your comments. I believe the Commerce Department agrees fully with you and we will continue to try to do what it can from its perspective to accomplish these goals.

The CHAIRMAN. Let us look at your role in the Uruguay Round. We put a time limitation on that one. If there is no limitation, tough decisions will never be made and we will never finish. So we are talking about the end of next year. Commerce is going to have, as I see it, a significant contribution to make. I would like to know what you have in mind in the way of staffing and beefing up for that situation, because, you are going to develop a real crunch as the Round comes to a close.

Mr. DUESTERBERG. Mr. Chairman, a bit of history, I guess, would be in order here. I believe it was in fiscal 1988 that Congress provided an additional appropriation to the Department of Commerce for the specific purpose of assisting the Administration in its work in the Uruguay Round. Within the International Economic Policy Division at Commerce, you have a separate division called the Office of Multilateral Affairs, which has about 15 people, if memory serves me correctly, working on various aspects of the Uruguay Round. Some of the questions of tariffs, as well as the specific sectoral negotiations that are going on. These people have been in place for the last 18 months or so and I can assure you are spending full time pursuing the objectives of the United States in the Uruguay round.

The CHAIRMAN. Thank you.

Senator Moynihan?

Senator MOYNIHAN. No questions, Mr. Chairman. Save to suggest that the proposal you have been impressing upon Brussels seems to me to be very real and the distinction very important of the major corporations are by definition international now and will be looked at themselves. The Commerce Department has had a long involvement with small business, which it will not be able to do as well unless there is such an effort.

I mean one more office building is not what we need in Brussels, or rather not what Brussels needs, but we may need some part of it.

Mr. DUESTERBERG. Thank you, Senator.

The CHAIRMAN. Senator Danforth?

Senator DANFORTH. Mr. Duesterberg, let me tell you what I think the role of the Commerce Department is. I think that this is a view of a number of people in the Senate.

The Constitution expressly gives Congress the lead role in international trade. It says in the Constitution that Congress shall have power to regulate foreign commerce. Not the executive branch. As a practical matter, there is no way that we can do that job. We cannot negotiate the Uruguay round. We cannot negotiate sectoral or bilateral agreements. We cannot undertake the day-to-day job of representing America's interests in foreign trade. So as a practical matter the Executive Branch does it. Now the question is: Who in the Executive Branch does it?

This has been an ongoing struggle. It does not matter whether it is a Democratic or Republic Administration, it is always the same fight within Administrations. USTR is supposed to be the honest broker. It is supposed to represent the overall interests of the United States, but we have various Departments in the Government who are representing various components of the overall interests of the United States.

My concern is that the State Department, the Defense Department, the Council of Economic Advisors, the Office of Management and Budget, historically have taken the position that free trade is the aim of the United States and what free trade means is that the American market has to be open. That the commercial interests of the United States in dealing with other countries—for example the FSX arrangement—really do not count for much; and that the Commerce Department, by in large, over the years has been shoved aside by the big guys in the Cabinet, particularly the State Department, the Defense Department.

So my view is, and I think a lot of people around here think that we, in Congress, who have the ultimate responsibility for foreign trade, want the commercial interests of the United States represented and we want it represented very aggressively. We can point to any number of instances where we think it has played a secondary role within Administrations.

Now we cannot very well force the Commerce Department, by statute, to be aggressive and to be strong within Administrations. I mean, we can do little things here and there. We attempted to do that on the FSX resolution. But it really has to do with the people within the Administration.

I would like your thoughts as to whether the Commerce Department is or can become a very forceful advocate for the commercial interests of the United States as we try to fit together all the competing interests that are represented in the Cabinet.

Mr. DUESTERBERG. Senator, I appreciate your comments and given your long history of involvement and leadership on trade issues, I think they are very important comments. I am aware of the historical differences of opinion between various Cabinet agencies. I do not think there is any doubt that the Commerce Depart-

ment considers its role as you described—as a forceful advocate for American commercial interests.

The question of how to express the perspective that naturally comes form that role is one that has been debated quite a lot over the years and will continue to be debated. A number of people have commented about the first 6 months of the Bush Administration that there has been a new spirit of cooperation amongst the trade agencies. There have been some fairly contentious and difficult decisions that have had to have been made already, some of them having to do with the implementation of the trade bill, telecommunications 301, intellectual property rights cases.

Senator Mosbacher even has commented that he feels that there is a good working relationship now between the various trade agencies. So I guess I would respond to your question only by saying that we need to work together and develop a good working relationship between the various trade agencies for Commerce to continue to assert its particular perspective.

Senator DANFORTH. Thank you.

The CHAIRMAN. Thank you.

Senator Rockefeller?

Senator ROCKEFELLER. Mr. Chairman, this is an extremely important position and I understand that, but I do not have questions.

The CHAIRMAN. Thank you.

Senator Symms?

Senator SYMMS. No questions, Mr. Chairman.

I welcome our witness here this morning and wish him well.

Mr. DUESTERBERG. Thank you, Senator.

The CHAIRMAN. Mr. Duesterberg, thank you very much.

Mr. DUESTERBERG. Thank you, Mr. Chairman.

The CHAIRMAN. Our next nominee, Mr. Wade F. Horn, to be Chief Children's Bureau, Department of Health and Human Services. Mr. Horn if you would come forward, please.

Mr. Horn, as you probably know, those things concerning children are particularly important to the members of this committee, and in turn to its Chairman. In your job you are going to have a significant job in overseeing some of those most important of those programs serving children and families, things such as foster care for independent living, child welfare services, foster care and adoption systems, highly important roles and we are going to watching with considerable interest the administration of them.

Senator Moynihan, any comments?

Senator MOYNIHAN. Mr. Chairman, I most certainly want to welcome Dr. Horn and to say I believe that is Christina and Carolyn behind him there.

Dr. HORN. That is right.

Senator MOYNIHAN. To say, if I may, I would like to ask a few questions after his statement.

The CHAIRMAN. By all means.

Senator Danforth?

Senator DANFORTH. No questions, Mr. Chairman.

The CHAIRMAN. Senator Rockefeller?

Senator ROCKEFELLER. No questions, Mr. Chairman.

The CHAIRMAN. Senator Symms?

Senator SYMMS. No questions, Mr. Chairman.

The CHAIRMAN. Dr. Horn, you are on your own.

STATEMENT OF WADE FREDERICK HORN, CHIEF-DESIGNATE, CHILDREN'S BUREAU AND COMMISSIONER-DESIGNATE, ADMINISTRATION OF CHILDREN, YOUTH AND FAMILIES, OFFICE OF HUMAN DEVELOPMENT SERVICES, U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

Dr. HORN. Thank you. Mr. Chairman and members of the committee, I am pleased to appear before you today as President Bush's nominee to be Chief of the Children's Bureau and Commissioner for Children, Youth and Families. Both the President and Secretary Sullivan have made a strong commitment to strengthening the American family. I am honored that these two men have chosen me to implement the many far-reaching and important programs which fall under the jurisdiction of the Administration for Children, Youth and Families, for it is these programs that must lead the way in services and research designed to strengthen families and help and protect our most precious natural resource—our children.

If confirmed, I intend to be a strong and active advocate for children and their families. I believe, for example, that we should have a foster care and adoption system that is responsive, effective and dedicated to creating a home for every child. Such a system will require committed State and Federal team work but I believe it can be done.

I also strongly support the President's goal that all eligible 4-year-olds should be afforded an opportunity to enroll in the Head Start program. I intend to aggressively work to meet this challenge, beginning with the planned expansion of up to 95,000 children by the end of 1990. I believe that the National Center on Child Abuse and Neglect must find new energy to lead the fight for more protection of our nation's vulnerable children.

This committee and you, Mr. Chairman, have my pledge that if confirmed I will forge a working partnership with every member of Congress who wants to work together to meet our common goal of a country where children do not simply grow but flourish. I believe that my training and experience in clinical psychology and child development have prepared me well to understand the issues facing the Administration for Children, Youth and Families. When coupled with 7 years of administrative experience in the delivery of services to children and families, I feel no hesitancy in assuring you of my confidence in meeting the challenge of managing the varied programs housed within the Administration for Children, Youth, and Families.

But, perhaps, just as important as any professional experience is my personal experience of raising a family of my own. With two young daughters—Christen, who is seven, and Caroline, who is four—every day of parenthood reminds that amid great opportunities families today face great frustrations. I know first-hand about the excitement and the fear parents feel about what the future holds for their children.

If confirmed, this position will be more than a job for me. It will be a mission. Our society is confronting some of the most serious

problems in its history, especially where children are concerned. Teen pregnancy, drug and alcohol abuse and babies born with drug addiction and AIDS are some of our biggest challenges. On each of these important issues, I intend to be an active participant in the national debate and I will do my utmost to help ensure that America continues to be a country that cares for its children and cherishes its families.

Mr. Chairman, thank you for allowing me to appear before you today and I am happy to address any questions you might have.

The CHAIRMAN. You know, that comment about appearing today, I would like to make the point that this committee has moved very expeditiously insofar as all nominees sent to it by the Administration. We have moved them through the committee process as quickly as could be done, I think, and then followed them up on the floor for action. It is terribly important that these people be put in place in their positions of responsibility. In all candor, I think the Administration has moved very slowly on its part in bringing about the transition that had to be done.

Now you are going to head the Administration on Children, Youth and Families, but at least the technical reason you are before us this morning for confirmation is you also will wear the mantle of the Chief of the Children's Bureau. Now that entity was created back in 1912. Is it in existence?

Dr. HORN. Yes, it is very much so, Senator.

The CHAIRMAN. What does it do?

Dr. HORN. Pardon?

The CHAIRMAN. What is it doing now?

Dr. HORN. The charge of the Children's Bureau is primarily twofold. One is to promote the welfare of children who find themselves either headed for or in the foster care system. The second charge is to head up the National Center for Abuse and Neglect. In addition, the Children's Bureau also oversees the programs from the Federal perspective that have to do with adoption.

I understand that over the last 10 or 15 years the Children's Bureau has faced a number of challenges. I know that there is concern on the part of some of you and other parties that the Children's Bureau has not been as aggressive in seeking solutions for those new challenges.

The CHAIRMAN. That was my reason for phrasing it the way I did. I just had not seen the affirmative action that I think needs to be taken there.

Dr. HORN. Well, Senator, I would like to assure you that among my highest priorities will be to pursue an agenda at the Children's Bureau which will ensure the welfare of children in the foster care system.

The CHAIRMAN. Well, one of the things, of course, that I am concerned about—that is the foster care and the adoption assistance programs. About 9 years ago Congress enacted a major set of amendments to ensure improved monitoring of foster care, so we could prevent some of the inappropriate long-term problems that had been developing and the adoption of children into new families. It is now almost 10 years later.

Can you tell us what we can see as major improvements that are needed in that?

Dr. HORN. The foster care system nationwide is facing a whole host of new challenges—from AIDS babies to children who are born addicted to crack. These are challenges which in some ways have overburdened the foster care system. We need to look as expeditiously as we can, to see whether, in fact, the system we have is adequate for dealing with and addressing these new challenges and to look to improve that system as best as we can.

It is my intention that we will do whatever we can to address these new challenges and I look to the help and support of the members of this committee, as well as the rest of Congress, in order to do that. I hope that we will be able to forge a working partnership in order to move that system forward so that we can care for our Nation's most vulnerable children.

The CHAIRMAN. I defer to any questions that Senator Moynihan might have.

Senator MOYNIHAN. Thank you, Mr. Chairman.

Dr. Horn, we are very open and unabashed in welcoming you, a scientist, scholar to this position—particularly as you come here directly from Children's Hospital here in Washington. Just to restate what he would not perhaps say for himself is that the Chairman of this committee, as I almost—his period in the history of the United States and the World, there have been all matters of Presidents come and go and so forth, very few Chairmen of the Senate Finance Committee. This Chairman has tried to make the welfare of children a very central concern of this committee, which it has not always been, and it has not always needed to be.

But certainly in this last decade this has emerged as almost the defining social problem of our time—the defining social problem. The poorest group in our society are the children and the first society in history where the poorest group population are children. That is a new experience for the species.

You have the symbolic concern. It goes back to Theodore Roosevelt and the White House Conference on children in 1910 when the problems were child labor and things like that—a different set of problems.

The Children's Bureau has disappeared from sight. You say it exists and I trust you. You are a scientist. You have your means of establishing facts that are not accessible to the visible eye, and then to the unaided eye. But if it exists, we do not know it, sir. It does not exist as far as this committee is concerned. We never hear from it. We probably have to assume that if we heard from it it would be proposing that something be done in the context of Washington the last decade where you do not make such proposals. I do not know.

I hope you will tell us two things. I hope you will be candid with us. Did you say that President Bush is committed to making headstart available to all children in the country?

Dr. HORN. President Bush stated during the campaign that he is interested in working towards the national goal of ensuring that all income-eligible 4-year olds are afforded an opportunity to enroll in the Head Start program.

Senator MOYNIHAN. How many are now enrolled and how many would be enrolled if the President's conditions were met?

Dr. HORN. Currently there are about 450,000 children nationwide who are enrolled in Head Start. The President also requested $250 million in new funding for Head Start which would be earmarked for opening up slots for up to an additional 95,000 children.

Senator MOYNIHAN. Now, Dr. Horn, that is not what I asked you. I said, how many are now enrolled and how many would be enrolled if the President's conditions were met?

Dr. HORN. If we were looking at all income eligible 4-year-olds it would be about—my understanding is about 600,000. I'm sorry, 900,000.

Senator MOYNIHAN. There would only be 900,000 as against the present 400,000?

Dr. HORN. Well, included in the 450,000 children currently enrolled in the Head Start program are some 3-year-olds and 5-year-olds as well.

Senator MOYNIHAN. You give us those numbers, all right?

Dr. HORN. My understanding is there are about 900,000 4-year-olds, 900,000 5-year-olds, and 900,000 3-year-olds who are eligible for Head Start.

Senator MOYNIHAN. Oh. So we now have about 450,000?

Dr. HORN. About 2.7 million if my math is correct. I'm sorry. Yes, you are right.

Senator MOYNIHAN. We have about 400,000.

Dr. HORN. Right.

Senator MOYNIHAN. And something like 2.7 million would be eligible.

Dr. HORN. Right.

Senator MOYNIHAN. So we only have to add 2.3 million. That's good. Now how much would that cost?

Dr. HORN. Well, the task is an interesting one and certainly a challenging one. However, I would also point out that most States either are now moving towards preschool compensatory education at the State level or the offer kindergarten enrollment for 5-year-olds.

Senator MOYNIHAN. Would you give this committee these numbers? Because we cannot go on making commitments like that and then saying, well, they are goals. Are they goals for the 21st Century?

Dr. HORN. I would be happy to supply you with those figures, sir.

[The information follows:]

President Bush has proposed that more four year olds from low income families receive a Head Start experience prior to entering kindergarten.

Currently, there are approximately 900,000 Head Start eligible four year old children. (This number fluctuates from year to year, depending on changes in the birth and poverty rates.) As families have alternative services available to them, such as state-funded preschool or child care by a relative, it is assumed that 20% of these children would not attend Head Start because they would be served by other programs, leaving 720,000 interested and eligible four year olds. Head Start currently serves 452,000 children of which approximately 280,000 are four year olds. To serve all 720,000 four year old children for one year would thus require an increased enrollment of 440,000 children. At the current cost per child, this would require an additional $1.172 billion over the FY 1989 funding level. The President has requested a $250 million increase for Head Start in FY 1990 to serve up to 95,000 additional children. If appropriated, this would reduce the amount needed to make Head Start available to all such four year olds to $922 million.

There are currently an estimated 2.7 million three, four and five year-old children eligible for Head Start. However, to the best of our knowledge, we believe that

almost all the 900,000 low-income five year olds are now either enrolled in or eligible to enroll in public school kindergarten, leaving approximately 1.8 million three and four year olds eligible for Head Start. Assuming that 20% of these children would not be served by Head Start because they will be served by other programs, serving all three and four year old children who are both eligible and interested would require funding 1.44 million enrollment slots (1.8 million x 80%). As Head Start currently serves approximately 400,000 three and four year old children this would require an increase of approximately 1.04 million Head Start enrollment slots which would cost, at current rates, $2.770 billion and would provide to all such children *two* years of Head Start prior to entering kindergarten.

The President's proposal to serve up to 95,000 additional four year old children in the year immediately prior to school attendance will allow them to carry the gains they make in Head Start directly into school.

Senator MOYNIHAN. I mean, quite seriously, I mean if you do not mean it—not you—but in the campaign, if you do not mean it, do not say it.

Dr. HORN. Well, Senator, I am very committed to the idea early compensatory education for children who are——

Senator MOYNIHAN. I know you are. I respect you for it. But being committed to it and introducing and carrying a program to bring it about are two different things. Between the idea and reality falls the shadow, as T.S. Elliott said; and the shadow is the budget deficit. And you know it.

One last thing, sir. Is to say that when you speak of AIDS babies, for example, and the whole question of foster care, we are not just being overwhelmed in the system, but the advent of the no parent child in this generation makes it necessary to start thinking of new arrangements for the care of those children; does it not?

Dr. HORN. Yes, it does.

Senator MOYNIHAN. For which there is an old word, orphanage.

Dr. HORN. Yes.

Senator MOYNIHAN. We look forward to working with you, sir; and seeing whether, in fact, this is an issue that has to return to the social agenda. Certainly it was in 1910 for different reasons but it is now, too. I must ask if we could get those numbers from you before we go to the floor with your nomination, which we very much welcome.

Thank you, Mr. Chairman.

The CHAIRMAN. Thank you, Senator Moynihan.

Senator Danforth?

Senator DANFORTH. No questions, Mr. Chairman.

The CHAIRMAN. Senator Rockefeller?

Senator ROCKEFELLER. Thank you, Mr. Chairman.

I want to also, Dr. Horn, welcome your presence and would like to continue just a little bit on what Senator Moynihan was softly pursuing.

We will have to pay about $100 billion for the S&Ls bailout. Probably more, probably $150 billion. We have to spend $100 billion for nuclear cleanup. Medicare is going up. It is a $100 billion program with Part B going up about 17 percent a year. By the year 2005 it will pay out more money than Social Security if it stays its present growth rates. Long-term care, somewhere between $40–60 billion. The costs for the uninsured in this country and the underinsured—I do not know—$20–30–40 billion. I don't know. Space station—every wants it—$33 billion. That is just to put it up. Federal prisons, drugs and we have the lesson of catastrophic health care

where the Committee and Congress reported out a bill that included extremely important benefits that seniors said they wanted. But we have heard from many seniors who are unhappy about the financing.

My point, sir, is that your commitment to children is clear and it is clear not only through your parenting but through your profession. I have no doubts in that at all. In 1987 Lloyd Bentsen created the National Commission on Children, which I now Chair and we intend to do serious work and create national policy for children. That policy will cost money. My question of you is, even in my 4½ short years here, I have seen many people come in and talk about what they want to do and their commitment to doing it. Then they get deluged under the tidal wave of priorities. Many of those priorities are eliminated by this thing called the shadow of the budget deficit.

Your sentiments are brave. My question is: Will you be willing to fight for money to be expended on children's programs and fight openly for that within the context of the government? I understand that. Then, if your answer is yes, pick out five children's programs for which you want to see more money. Tell me how much money they need.

Dr. HORN. Well, Senator, first I would like to say that I appreciate your remarks about my background. I do believe that my background is clear in suggesting my commitment to children and my long history of having been an advocate for children and families. I intend to continue to be a very vocal voice within the Federal Government to address the causes of children's needs and to strengthen programs for children.

Some of these efforts may, in fact, cost additional money. I do not believe I am prepared at the moment to identify exact programs and budgetary figures for which I would fight for.

Senator ROCKEFELLER. Of course you are. I am simply asking your opinion. Name to me five programs where you think money ought to be spent that relate to children for which you are willing to fight. You may lose, but for which you are willing to fight.

Dr. HORN. Again, I can assure you that I am going to be willing to fight for causes that have to do with the needs of children. Identifying exact programs at this point is difficult since I speak personally but not for the Administration.

Senator ROCKEFELLER. It is not difficult. You know it so much better than I do; it is not even close. I am going to vote for you.

I think what Senator Moynihan was getting at is the following: What happens is, people come up here and they are committed but then they are washed under by all these other commitments. It is what Senator Danforth was talking about with the previous witness in the Commerce Department. Of course the Commerce Department wants fair trade, but they get washed over by State and Defense and others.

Now you are here to represent children. One half of the cost of health care for the average American takes place in the last 3 or 4 months of that average American's life and we are now consumed with how to pay for that. Nobody, as Senator Moynihan and Senator Bentsen points out, talks about children. That is your job.

Dr. HORN. Well, certainly——

Senator ROCKEFELLER. Send it in writing by secret missive—five programs that you would be willing to fight for and how much you think they would cost, again allowing that you may lose.

Dr. HORN. Speaking personally and certainly not for the Administration since at this point I am not in the position to do so——

Senator ROCKEFELLER. That is all I am asking.

Dr. HORN. If we are going to move towards an expansion of Head Start, that expansion is going to cost money. There is, as I understand it, a request for an additional $250 million for this coming fiscal year to start that expansion. I also believe that additional monies will be necessary to implement the new data collection system for foster care, which is something that I know, Mr. Chairman, is near and dear to your heart and also to mine. It is also going to take some money to implement. I think that we are going to have to struggle with from where that money will come.

I think that there are other programs, certainly, within the other Bureaus within the Administration for Children, Youth and Families which may also require additional money. But I am not so sure that the answer to every problem of children, youth and families is an increase in the budget. I think for some problems that is true, but not for others.

Senator ROCKEFELLER. What about child care? Can child care be done?

Dr. HORN. There is no question in my mind that there is a need for additional child care legislation in this Nation today, and that is going to cost money as well. And so we are now up to three, if my math is correct, in terms of programming for which I would fight.

Again, there are areas that are going to require additional money, and there are other areas that may not require more money. Rather, some problems will require an advocacy role and strong leadership, for example, teen age pregnancy and particularly unwed teenage pregnancy. On these kinds of issues, we need to engage in a direct and honest national debate about what we can do to solve these very serious problems.

Senator ROCKEFELLER. Thank you, Dr. Horn.

Thank you, Mr. Chairman.

The CHAIRMAN. Thank you.

[The prepared statement of Dr. Horn appears in the appendix.]

The CHAIRMAN. Senator Durenberger?

Senator DURENBERGER. No questions, Mr. Chairman.

The CHAIRMAN. Dr. Horn, I think you get a feel for the intensity of our desires when it comes to children. Now we want a strong advocate who will fight for those things that he thinks are important to the welfare of those children. Now we are going to be watching and pushing.

Dr. HORN. Please do. I welcome all of the cooperation and support that I can get from this committee as well.

The CHAIRMAN. Dr. Horn, good luck and thank you.

Dr. HORN. Thank you.

The CHAIRMAN. Is Mr. John Sturdivant here? Yes, Mr. Sturdivant, we are pleased to have you for your comments.

Mr. Sturdivant is the President of the American Federation of Government Employees, AFL–CIO, Washington, DC.

STATEMENT OF JOHN N. STURDIVANT, PRESIDENT, AMERICAN FEDERATION OF GOVERNMENT EMPLOYEES, AFL-CIO, WASHINGTON, DC

Mr. STURDIVANT. Thank you, Mr. Chairman and members of the committee. My name is John Sturdivant. I am President of the American Federation of Government Employees, AFL-CIO, and we represent some 700,000 Federal workers throughout the Government. On behalf of the 55,000 workers at the Social Security Administration that we represent, I thank you and this committee for the opportunity to testify.

Mr. Chairman, my remarks will be very brief this morning and I would like to have permission to revise and extend my statement for the record.

The CHAIRMAN. Without objection that will be done.

Mr. STURDIVANT. Thank you. AFGE does not oppose the nomination of Ms. King to be the next Commissioner of the Social Security Administration. If she is confirmed, we are looking forward to forming a working partnership with Ms. King, within which union and management can work together and solve a number of serious problems facing SSA.

At this time we would like to bring those problems to the attention of this committee. As you know the SSA embarked on an ambitious program of staffing reductions in 1985. In that year the Congress appropriated funds for 86,213 work years. The SSA's budget request for Fiscal Year 1990 is 63,911 work years, a difference of 22,302 work years or a 22 percent reduction in staff. By all accounts, both managers and rank and file employees are rapidly sinking under the burden of an ever growing work load and the fact that they cannot serve the public as it deserves to be served.

The Agency's own survey of its managers yielded similar results. The initial rationale for the staffing reductions was that systems modernization would allow for the reductions. However, year after year the General Accounting Office has reported that the SSA is having major problems with its modernization. It is years behind its initial implementation schedule. In fact, SSA has not even begun work on the SSI software package, the Agency's most difficult and most labor intensive program.

Subsequently, the SSA began to argue that program improvements along with systems modernization would justify the staffing reductions. So-called program improvements have resulted in a major shift in the way SSA delivers its services. For example, disability applicants are told to take the application forms home and return them once they are completed. This practice results in many applicants falling through the cracks.

Further, beginning October 1, 1989 the public will no longer be able to call their local Social Security offices. In fact, many offices are no longer able to be called. All of this has been done in the name of efficiency and program enhancements. In fact, the SSA program is neither more efficient nor enhanced. The public has to work harder and harder to be heard and to get served.

In addition, the Congress recently was forced to stop the Agency from proceeding with changes in the hearings and appeals systems that would have deprived some of our most vulnerable citizens of

basic rights. Changes such as those mentioned above are affected largely because there simply is not enough people to do the job thoroughly and properly. The SSA is in a state of confusion and disarray. Thousands of SSA's best employees have left in recent years, largely out of their feeling that they simply could no longer do justice to their work.

The new Commissioner can stem the tide of resignations and restore the public's faith in SSA with a top to bottom review of the program improvements and systems modernization to determine their impact on service delivery.

Mr. Chairman, our people care about their Agency, the work they do and the people they serve. AFGE stands ready to work cooperatively with the new Commissioner, to restore SSA to its place as the crown jewel of our nation's domestic programs. We look forward to working with this committee and with the new Commissioner.

Thank you for the opportunity to testify today and I will be happy to try to answer any questions that you might have.

[The prepared statement of Mr. Sturdivant appears in the appendix.]

The CHAIRMAN. Mr. Sturdivant, I think that your cautionary comments and your statements of concern are well taken and helpful. I have no comments.

Senator MOYNIHAN. I would just like to agree and want to thank you. I mean one of the things that was in President Kennedy's mind when he signed that Executive Order 10988 creating exclusive recognition in the Federal Government for AFGE, you know, for all you unions, was that we might hear such testimony as we just heard from you, sir. You have sources of information that are different from, and just as good as those we will hear from the administrators of the program. I thank you for it and we will pay attention to it.

I make the point also—Mr. Chairman, you might be interested in this—I was talking recently with a political scientist who studies the Social Security Administration and was going around to Regional Offices asking what is the biggest problem. Increasingly, in places like Los Angeles she will hear managers say, I cannot hire a college graduate at the pay scales we now have.

Thank you, Mr. Sturdivant.

Mr. STURDIVANT. Thank you, Mr. Moynihan.

Certainly we look forward—I am sure you know some of the problems we have had with the current Commissioner. They are of no secret. We look eagerly waiting for someone that we can move forward in a positive, cooperative partnership to serve the American people and do the work that we know needs to be done and that our people are eager to do. I have been all over this country visiting Social Security offices. I have been in payment centers. Our people want to do the work.

One of our members told me, they said that when they first went to work for Social Security they said they were told that you do your job in this Agency the same way you would do it—the same way you would want your mother or your father treated if you were providing services for them. One of the tragedies, Mr. Chairman, is that because of the staffing cuts and because of the prob-

lems that we have in the Agencies, they no longer can do it in the way that they would like to do it for their mother or their father.

The CHAIRMAN. A good point. Thank you.

Mr. STURDIVANT. Thank you, Mr. Chairman.

The CHAIRMAN. We will now go into Executive Session.

[Whereupon, the hearing was adjourned at 11:19 a.m.]

APPENDIX

ALPHABETICAL LISTING AND MATERIAL SUBMITTED

PREPARED STATEMENT OF SENATOR WILLIAM L. ARMSTRONG

Mr. Chairman: I am pleased to express my support for Tom Duesterberg for the position of Assistant Secretary for International Economic Policy. Tom comes to this important position with unique and impressive credentials.

Tom is a man of exceptional scholarship, having graduated from Princeton University "Magna Cum Laude" and passed his qualifying examinations for his Ph.D. with highest distinction. Tom also has an impressive background of experience. He has served as both a Legislative Assistant and Administrative Assistant to Senator Dan Quayle of Indiana. Tom advanced to the position of Assistant to the Vice President and Deputy Chief of Staff to the Vice President when Senator Quayle was elected Vice President of the United States. Most recently, Tom has been serving as a Consultant to the U.S. Department of Commerce in the International Trade Administration.

Tom Duesterberg brings ability, dedication and a sense of service that is needed in our government. He has an excellent mix of academic, research, legislative and administrative experience which will serve him well in this very important position. I urge his speedy confirmation.

PREPARED STATEMENT OF LINDA M. COMBS

Mr. Chairman and Members of the Committee, I am pleased to appear before you today as you consider my qualifications for the position of Assistant Secretary of Treasury for Management. I am deeply honored to have been nominated by President Bush for this important post, and I'd like to thank Secretary Brady for his confidence in choosing me for this position.

The chief management officer of any organization carries an awesome responsibility: to provide efficient, responsive support service to facilitate the organization's mission, being forever mindful to conserve limited resources. Having gained invaluable experience in the management area while serving as the Deputy Under Secretary for Management at the Department of Education and Acting Associate Deputy Administrator for Management at the Department of Veterans Affairs, I welcome the opportunity, if confirmed, to face the management tasks that lie before me at the Department of the Treasury.

In all of my public assignments I have been guided by one overriding principle: public service is a public trust. I pledge to you that I am committed to upholding the highest standards of honesty, fairness, and integrity. The people of this great country deserve no less from those of us who serve in such honored positions.

I am approaching the challenges that lie before me with vigor, enthusiasm, and eagerness to provide expert management leadership for the Department of the Treasury and the Administration. At this time, I would be pleased to answer any questions you may have.

A. BIOGRAPHICAL

1. NAME: Linda Gail Morrison Combs

2. ADDRESS: 10 Scottish Autumn Court
Darnestown, Maryland 20878

3. DATE & PLACE OF BIRTH: 6/29/46 Lenoir, North Carolina

4. MARITAL STATUS: Married to David Michael Combs

5. NAME AND AGES OF CHILDREN: No children

6. EDUCATION:

Institution	Dates Attended	Degree	Date Granted
Hudson High School	9/60 - 6/64	Diploma	1964
Gardner Webb College	9/64 - 6/66	AA	1966
Appalachian State U.	9/66 - 6/68	BS	1968
Appalachian State U.	9/73 - 6/78	MA	1978
VPI & State Univ.	9/82 -12/85	Ed.D.	1985
Harvard University	7/84 - 7/84	Certificate	1984
American Mgmt. Assn.	1975	Certificate	1975
American Institute of Banking	1979	Certificate	1979

7. EMPLOYMENT RECORD:

Position Title	Employer	Location	Date
Acting Assoc. Deputy Admin. for Mgmt	Veterans Administration	810 Vermont Ave Washington, DC	08/88 - Pres
Dep. Assoc. Deputy Admin. for Mgmt.	Veterans Administration	810 Vt. Ave Washington, DC	10/87 - 08/88
Combs Group Consulting	Self	932 Bryans Place Rd. Winston-Salem, NC	05/87 - 10/87
International Educ. Systems of N.C.	Self	932 Bryans Place Rd. Winston-Salem, NC	10/86 - 10/87
Public Ed. Advisor	State of N.C.	116 W. Jones St. Raleigh, NC	05/86 - 04/87
Dep. Undersecretary for Management	US Dept. of Education	400 Maryland Ave., SW Washington, DC	09/84 - 05/86
Executive Secretary	US Dept. of Education	400 Maryland Ave., SW Washington, DC	02/83 - 09/84
Deputy Executive Secretary	US Dept. of Education	400 Maryland Ave., SW Washington, DC	05/82 - 02/83
Manager, National Direct Student Loan Operations	Wachovia Services, Inc.	Winston-Salem, NC	03/80 - 04/82
Section Manager	Wachovia Services, Inc.	Winston-Salem, NC	09/79 - 02/80

Elected Member--Bd. of Education	Winston-Salem/Forsyth Co. Schools	Winston-Salem, NC	12/80 - 05/82
Asst. Principal--Speas School	Winston-Salem/Forsyth Co. Schools	Winston-Salem, NC	08/77 - 08/79
Reading Coordinator--Ardmore School	Winston-Salem/Forsyth Co. Schools	Winston-Salem, NC	09/73 - 06/77
Director, Title I Summer Program	Winston-Salem/Forsyth Co. Schools	Winston-Salem, NC	06/73 - 08/73
Reading Teacher--Clemmons School	Winston-Salem/Forsyth Co. Schools	Winston-Salem, NC	09/71 - 06/73
6th Grade Teacher--Brown School	Winston-Salem/Forsyth Co. Schools	Winston-Salem, NC	01/70 - 06/71
6th Grade Teacher--Kernersville Sch.	Winston-Salem/Forsyth Co. Schools	Winston-Salem, NC	09/68 - 01/70
Correspondence Clerk	Bowman Gray School of Medicine	Winston-Salem, NC	06/69 - 08/69

8. GOVERNMENT EXPERIENCE:

Acting Associate Deputy Associate Administrator for Management
Veterans Administration
Washington, DC

Deputy Associate Deputy Administrator for Management
Veterans Administration
Washington, DC

Public Education Advisor
State of North Carolina
Raleigh, NC

Deputy Under Secretary for Management
US Department of Education
Washington, DC

The Executive Secretary
US Department of Education
Washington, DC

Deputy Executive Secretary
US Department of Education
Washington, DC

Elected Member
Board of Education
Winston-Salem/Forsyth County Schools
Winston-Salem, NC

Assistant Principal - Speas School
Winston-Salem/Forsyth County Schools
Winston-Salem, NC

Reading Consultant - Ardmore School
Winston-Salem/Forsyth County Schools
Winston-Salem, NC

Director, Title I - Summer Program
Winston-Salem/Forsyth County Schools
Winston-Salem, NC

Reading Teacher - Clemmons School
Winston-Salem/Forsyth County Schools
Winston-Salem, NC

Sixth Grade Teacher - Brown School
Winston-Salem/Forsyth County Schools
Winston-Salem, NC

Sixth Grade Teacher - Kernersville School
Winston-Salem/Forsyth County Schools
Winston-Salem, NC

Governor's Advocacy Commission for Children & Youth
Winston-Salem, NC

9. MEMBERSHIPS

1980 - 1982	American School Boards Association
1976 - 1982	International Reading Association
1980 - 1984	National Association of Female Executives
1977 - 1979	Forsyth Administrative Assistants Association, Vice President
1968 - 1979	National Education Association, faculty representative & local executive board member
1984 - pres.	Wake Forest University/Babcock School of Management unpaid member of the Board of Visitors
1984 - pres.	Gardner-Webb College, unpaid member of the Alumni Board
1987 - pres.	Society for Information Management, Wash., D.C.
1972	Area Chairman, Cancer Fund Drive
1973	Recruiter, Heart Fund
1973	Recruiter, Multiple Sclerosis Fund Drive
1968 - 1979	Association of Classroom Teachers

College and High School Activities

President, Future Business Leaders of America

Secretary, Student National Education Association

Intramural basketball

Dormitory House Council

Student Union Choir and Executive Council

Member, International Relations Club

Member, Beta Club

Member, Public Speaking Club

10. POLITICAL AFFILIATIONS AND ACTIVITIES:

Elected Offices

1980	Successful candidate for the Forsyth County Board of Education
1976-1980	Member of the Forsyth County Republican Party Executive Committee
1974-1980	Co-chair, South Fork Republican Precinct
1980-1981	Vice President, Forsyth Young Republican Club
	Delegate to the County, District, and State Republican Conventions for several years

Appointments

1974-1975	Governor's Advocacy Commission for Children and Youth
1976	Treasurer, Michael Britt for North Carolina State Senate Campaign, Forsyth County, North Carolina

Memberships

	Active in the Republican Party for most of my adult life
1987	Active member of the Forsyth County Republican Women's Club until 1987
1982	Active member of the Forsyth County Young Republican Club until 1982
1986	Active member of the North Carolina Republican Club of Washington until 1986
1987	Actively worked on the George Bush Presidential Campaign
1976	Actively worked on the Reagan for President Campaign
1980	Actively worked on the Reagan for President Campaign
1972 & 1978	Jesse Helms for Senate Campaign, Precinct organizer

Contributions 1979 - 1988

1980	Reagan Bush Committee	$25 (cash)
	Anne Bagnal for Congress Committee	25 (cash)
	John East for Senate Committee	25 (cash)
	Forsyth County Republican Party	45 (cash)
1981	Republican National Committee	10
	Forsyth County Republican Party	100
1982	Forsyth County Republican Party	100
	Republican National Committee	15
	Anne Bagnal for Congress Committee	25 (cash)
	Garlene Grogan for Bd. of Education	25 (cash)
1983	Forsyth County Republican Party	$100
	Republican National Committee	10
1984	Republican National Committee	15
	Forsyth County Republican Party	100
	Jim Martin for Governor Committee	100
	Helms for Senate Committee	10
1985	Republican National Committee	5
	Republican Party of North Carolina	120
	N.C. Republican Party	60
	Forsyth County Republican Party	100
	Broyhill for Senate	100
	Virginians for Viguerie	5
	Arlington County Republican Committee	5
	N.C. Federation of Republican Women	10
	N.C. Federation of Republican Women	42
	Forsyth County Republican Women	15
	N.C. Republican Club of Washington	10
1986	Ronald Reagan Presidential Foundation	10
	Republican National Committee	10
	Broyhill for Senate	150
	N.C. Republican Party	20
	Neighbors for Epperson	100
	Broyhill for Senate	25
	Forsyth County Republican Women	15

1987	NONE	
1988	Republican National Committee	10
	Gray for Congress	100
	Victory '88 - N.C.	2,000
	Garlene Grogan for School Board	25
	Presidential Fund '88	10
	George Bush for President	100

11. HONORS AND AWARDS:

1963	Rural Electrification Association Scholarship for writing a prize winning essay
9/79 - pres.	Phi Delta Kappa Honorary Society
9/77 - 10/87	Delta Kappa Gamma Honor Society
1986	Distinguished Alumnus of the Year, Appalachian State University
7/28/88	President's Council on Management Improvement Award
6/8/89	Pride in Public Service Achievement
12/14/84	Secretary of Education's Special Citation
9/88	President's Council on Management Improvement Outstanding Leadership Award
1983	Combined Federal Campaign Honor Award
9/30/88	Executive Performance Award - Veterans Administration
1983	Combined Federal Campaign Outstanding Service Award
1987	Alumnus of the Year, Gardner Webb College
1985	Honorary Doctorate, Gardner Webb College
12/14/84	Phi Delta Kappa Service to Education Award
1/89	Veterans Administration Appreciation Award
1988	Outstanding Volunteer Award
1977 & 1978	Nominated "Teacher of the Year" by Speas School
1974	Winston-Salem/Forsyth County School Systems Scholarship
1986	Certificate of Appreciation, U.S. Secretary of Education
1964	Graduated with honors from high school

12. PUBLISHED WRITINGS:

03/85	"Sharing Educational Responsibility," Winston-Salem Sentinel
1985	"Developmental Education : The Federal Viewpoint," Journal of Developmental Education, Volume 9, Issue 1
04/85	Testimony on the Department of Education's Salaries and Expense Budget for Fiscal Year 1986, before the Labor/HHS/Education and Related Agencies Appropriations Subcommittee, United States Senate
04/85	Testimony on the Department of Education's Salaries and Expenses Budget for Fiscal Year 1986, before the Labor/HHS/Education and Related Agencies Appropriations Subcommittee, U.S. House of Representatives

11/85 "Education in the Year 2035 -- A Delphi Study to Identify Possible Futures of the Public Secondary School" (a dissertation submitted in partial fulfillment of the requirements for the degree of Doctor of Education in the College of Education, Virginia Polytechnic and State University)

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Co-author:

03/85 "An Inventory of Shared Administrative Support,: New Perspectives on Federal Management, the President's Council on Management Improvement Interagency Task Force Report

04/85 "Case Studies of Shared Administrative Support," New Perspectives on Federal Management, the President's Council on Management Improvement Interagency Task Force Report

08/85 "Measuring Administrative Services: Assessing and Improving Productivity." The President's Council on Management Improvement Interagency Task Force Report

10/85 "Streamlining Internal Control Processes and Strengthening Management Controls with Less Effort," The President's Council on Management Improvement Interagency Study Report

1985 "Improving Federal Productivity: An Inventory of Agency Examples," the President's Council on Management Improvement Interagency Task Force Report

13. SPEECHES

05/86 Meeting with the Republican members of the General Assembly at the Aqueduct Conference Center in Chapel Hill, NC. Spoke from notes.

11/86 SE Guilford Sr. High School, Greensboro, NC. Remarks to senior class studying government. Spoke from notes.

11/19/86 Phi Delta Kappa meeting at the NCSU Faculty Club in Raleigh, N.C. Asked to make comments on the Governor's educational program. Spoke from notes.

12/20/86 Pancakes and Politics Breakfast, Asheville, N.C. Spoke from notes on Governor's Education Program

01/30/87 N.C. Testing Commission meeting in Educational Annex I on Jones Street in Raleigh, N.C. Asked to make welcoming comments for the Governor.

02/05/87 Brought greetings from the Governor to South Johnston High School near Benson, N.C.

03/05/87 Participated in video production for the Edenton-Chowan School System.

03/11/87 Employment Security Commission in Raleigh, N.C. Asked to comment on Governor's education proposals. Spoke from notes.

04/01/87 Young Educators Club in Wilmington, N.C. Brought greetings from the Governor to John T. Hoggard High School.

04/14/87 Pinehurst Rotary Club, Pinehurst, N.C. Asked to comment on illiteracy in N.C. Asked to comment on illiteracy in N.C. and the Governor's education initiatives.

06/12/87 R.J. Reynolds High School Graduation, Winston-Salem, N.C.

09/15/88 President's Council on Management Improvement Conference on Quality and Productivity, St. Louis, Mo. (Presentation/Speech/Chaired panel).

10/03/88 VSO National Commander Briefing, VFW, Veterans Administration. (Presentation)

10/06/88	Combined Federal Campaign Kickoff Rally in Veterans Administration Lobby (Remarks)
10/19/88	"Managing for the 1990's - Using the Information Edge," Mayflower Hotel (Chaired panel)
11/02/88	VSO National Commander Briefing, American Legion, Veterans Administration
04/04/89	Veterans Administration Medical Center Combined Federal Campaign Keyworker Ceremony
04/13/89	House Veterans Affairs Hearing Re: GOE Budget for 1990.
05/03/89	Public Employees Roundtable International Conference (Chaired Committee)
05/13/89	President's Council on Management Improvement Quality Conference (Chaired panel)

14. QUALIFICATIONS:

I feel that I am qualified to serve in the position of Assistant Secretary for Management at the Department of Treasury because of my training, experience, and commitment. During my career I have held numerous management positions with increasing levels of responsibility. I have had the opportunity to serve in the equivalent Assistant Secretary for Management positions both at the Department of Education and the Department of Veterans Affairs.

In all of my positions I have been able to put into practice innovative management techniques, and institute management improvements and initiatives that have resulted in actual practical and noticeable improvements.

I am able to motivate employees to achieve their highest potential and to take pride in their work. I truly believe that employees represent the greatest resource for any organization. I believe that all organizational accomplishments are done with and through other people, and as such, employees deserve professional treatment and respect. I believe in rewarding positive performance and encouraging innovation and creativity. I place a premium on ideas and suggestions from employees on ways to improve the efficiency and performance of an organization. I believe in listening to both the customer and to the people who serve the customer.

The Assistant Secretary for Management position presents a tremendous opportunity to develop a careful balance between providing service and exercising control and discipline within the Department. The Office of Management has the responsibility of encouraging and enhancing quality of service within the organization and instituting policies and procedures that will result in increased effectiveness and efficiency for the Department.

I have a very strong commitment to public service. I believe that public servants have an obligation to set a good example and should uphold the highest ethical standards. I am always mindful of that public trust and will always strive to honor the public trust.

PREPARED STATEMENT OF DR. THOMAS J. DUESTERBERG

Mr. Chairman, Members of the Committee, it is a great honor for me to appear before you today, as the President's nominee for Assistant Secretary of Commerce for International Economic Policy. I want to thank the President for the confidence he has shown in me to assume the important responsibility of this position. And I especially want to thank the Finance Committee for scheduling this Hearing in a very brief period of time. With your permission, Mr. Chairman, I would like to introduce several members of my family who are with me here today.

Mr. Chairman, I spent nearly eight rewarding years working for the United States Senate, first as Legislative Assistant and later as Administrative Assistant to Senator Dan Quayle, from my home state of Indiana. I have a deep and abiding respect for the institution, its Members, its traditions, and its staff. I look forward to continuing a close working relationship with this Committee and the rest of the Senate if confirmed to this position.

My primary responsibility, as Assistant Secretary for International Economic Policy would be to assist the Commerce Department and the rest of the Administration in developing trade and economic policy as effective instruments in improving our international competitive position. Last year, Congress gave new tools to the Executive Branch to assure that American exporters have a fair opportunity to compete in international markets. President Bush and Secretary Mosbacher have already signalled their determination to use these new tools effectively to open markets throughout the world. If successfully reported by the Committee and confirmed by the Senate, I will also look forward to working with the Congress to assure a successful outcome of the Uruguay Round, the prompt and fair implementation of the Canada-U.S. Free Trade Agreement, and a transparent and open process of economic integration in Europe.

Mr. Chairman, I look forward to whatever questions you may have at this time.

QUESTIONNAIRE FOR SENATE COMMITTEE ON FINANCE

A. BIOGRAPHICAL:

1. Name: Thomas James Duesterberg

2. Address: 2540 Massachusetts Avenue, N.W.
Apartment 408
Washington, D.C. 20008

3. Date and Place of Birth: February 15, 1950
Vincennes, Indiana

4. Marital Status: Married to Susan L. Cooper

5. Names and Ages of Children: James Cooper Duesterberg
Age 3

6. Education: Princeton University, 1968-72, B.A. awarded June 1972; Indiana University, 1973-79, M.A. and Ph.D. awarded in European History, 1974 and 1979, respectively.

7. Employment Record:

A. Teaching Assistant; Department of History, Indiana University; Bloomington, Indiana; Sept. 1974-June 1978.

B. Associate Instructor; Department of History, Stanford University; Palo Alto, California; Sept. 1978-August 1979.

C. Senior Research Associate and Consultant; International Business Services, Inc.; Washington, D.C.; Oct. 1979-July 1981.

D. Legislative Assistant; U.S. Senator Dan Quayle; Washington, D.C.; Aug. 1981-May 1983.

E. Administrative Assistant; U.S. Senator Dan Quayle; Washington, D.C.; June 1983-Dec. 1988.

F. Assistant to the Vice President and Deputy Chief of Staff; Vice President Dan Quayle; Washington, D.C.; Jan 1989.

G. Consultant; U.S. Department of Commerce, International Trade Administration, Washington, D.C.; Feb. 1989-present.

8. Government Experience:

See items 7-D, 7-E, 7-F, 7-G above; also in October of 1979 I worked as a consultant to the Law Enforcement Assistance Administration, preparing and delivering a paper on the history of criminal justice reform. The paper was delivered to a conference on "Historical Approaches to Crime and Criminal Justice Systems" held at Reston, VA.

9. Memberships:

Member of RAMS (Republicans Affiliated for Mutual Support), Washington, D.C. Served as treasurer in 1988.

10. Political Affiliations and Activities:

Contributed $50 to Congressional Candidate Rick McIntyre of Indiana and $50 to Lt. Governor John Mutz of Indiana.

11. Honors and Awards:

-Valedictorian of high school graduating class, Vincennes, Indiana, Central Catholic High School, 1968.
-Scholarship (partial financial aid) awarded by Princeton University, 1969.
-B.A. degree awarded "Magna Cum Laude," Princeton University, 1972.
-Fellowship (full academic aid) awarded by West European Studies Program, Indiana University, 1973-74.
-Teaching Fellowship (full academic aid), awarded by Department of History, Indiana University, 1974, 1975, 1976, 1977, 1978.
-Ph.D. Qualifying Examinations passed with "Highest Distinction," Department of History, 1976-77.

12. Published Writings:

A. "The Origins of Criminology in France: Penal Reform and Scientific Criminology in the Age of Revolution, 1789-1840," in John A. Conley, Ed., Theory and Research in Criminal Justice: Current Perspectives (Anderson Publishing, 1979), Pp. 1-17.

B. "The Politics of Criminal Justice Reform: Nineteenth-Century France," in J.A. Inciardi and C.E. Faupel, eds., History and Crime: Implications for Criminal Justice Policy (Sage Publications, 1980), Pp. 135-152.

13. Speeches: None

14. Qualifications:

I have advanced academic degrees in European History, with a minor in Japanese History. I am familiar with the political and economic history of modern Europe and East Asia in a level that gives a valuable perspective on the problems we are facing today. As a staff member of a U.S. Senator from a state which, by some rankings, is the most dependent on foreign trade in the nation, I have worked for the last eight years on the whole panoply of trade issues and international problems which face our nation. I spent two of those years as Legislative Assistant working on Agriculture and Banking issues and became familiar with the international problems in those areas. As Administrative Assistant, I was called on to be familiar with the entire array of international trade, economic and security issues considered by the U.S. Senate. In this capacity, I served as an advisor to a Senator, his representative to the state and to interested individuals and groups. In an office of fifty-five individuals, I gained the management experience in a political and policymaking environment. The combination of academic and professional experience over the last fifteen years gives me a balanced perspective with which to view the issues facing the United States in the arena of International Economic Policy. To understand these issues requires not only a technical familiarity with the problems and opportunities, but also a historical perspective on the origins of the current situation, and I believe I have that perspective.

PREPARED STATEMENT OF SENATOR JOHN HEINZ

Mr. Chairman, it is with great pleasure that I come before you today to formally introduce Mrs. Gwendolyn Stewart King to the Finance Committee. I feel President Bush has made an excellent choice in Mrs. King and I want to strongly support her confirmation as Commissioner of the Social Security Administration. If Social Security is the foundation of America's retirement policy, then the Commissioner is the guardian. Mrs. King has demonstrated the most critical skill for this role: the ability to govern by uniting people in the spirit of bipartisanship and cooperation.

As you examine Gwen's record of over sixteen years public service, I believe you will come to the conclusion that President Bush and I share—that Gwen King is eminently qualified to run our country's social insurance programs that deliver benefits to over 38 million individuals each month.

As many of you may know, I had the good fortune of having Gwen on my staff as my senior legislative aide for Social Security and disability matters, then before the Finance Committee. Her legislative portfolio also included tracking and advising me on Medicare and Medicaid work, education, human rights, and environmental matters. When I recall those years, the one quality Gwen repeatedly showed to all of us who had the pleasure of working with her was her ability to settle disputes and develop compromises. In the truest sense, Mrs. Ring is a negotiator and consensus builder.

During her tenure as Director of the Washington office of the Governor of Pennsylvania when my friend Dick Thornburgh served in that capacity, Gwen mobilized the Pennsylvania Congressional Delegation to successfully handle the Three Mile Island clean-up. She obtained unemployment compensation relief for our state in the 1982 recession, and was able to bring people together in order to relocate the town of Centralial Pennsylvania following the devastating fire that destroyed the entire town.

And, Gwen's experience with the Department of Health, Education, and Welfare, coordinating health policy for then-Secretary Caspar Weinberger, and as Director of the Division of Consumer Complaints at the U.S. Department of Housing and Urban Development give her a broad understanding of the needs of individuals she will be entrusted to serve as Commissioner.

Mailing monthly checks to retirees is just one function of the Social Security Administration. Social Security also stands charged with the responsibility of protecting America's disabled and disadvantaged. Gwen understands that any service system must be judged first by services delivered—that the system cannot be modernized, modified, or streamlined in a vacuum, without regard for the individuals it is supposed to serve.

In more recent years, Mrs. King served as Deputy Assistant to President Reagan and Director of the Office of Intergovernmental Affairs at the White House. In that capacity, Gwen had the primary responsibility of keeping the lines of communication open between the President and our Nation's governors, mayors, and state legislators. As Gwen well knows, communication and information are key if we hope to cooperatively manage the problems facing our Country.

While on the President's staff, Gwen was appointed to serve and direct various task forces and committees—again using her skills as a consensus builder. Since leaving the White House, Mrs. King has served as Executive Vice President of the Washington governmental affairs consulting firm of Gogol and Associates.

Mr. Chairman, Gwen has been a valued and active public servant since her career began back in 1970. I believe you will find Gwendolyn King an intelligent, hard-working, and thoroughly professional candidate who is willing to administrate by consensus in order to meet the challenges facing the Social Security Administration and our nation's elderly and disabled populations. I give you my strongest recommendation of this conferee and encourage you to support her nomination.

PREPARED STATEMENT OF SENATOR JESSE HELMS

Mr. Chairman, from 1982 to 1986, Linda worked at the U.S. Department of Education while her husband was still working in North Carolina. She commuted during that period, and she tells me that she and her husband saw each other every weekend except *three* during that period. I can certainly believe that, based on the many times I ran into her at the Piedmont Airlines terminal during those years.

Linda is an extraordinarily well-qualified candidate for this post. We are most fortunate to have a candidate with her credentials willing to serve. Let me tell you a little about her.

Since August 15, 1988, Linda has served as Acting Associate Deputy Administrator for Management at the Veterans Administration. In that capacity, she serves as principal adviser to the Administrator in all matter associated with policy-level direction of management and productivity improvement; Departmental and staff office program operating plans; program analysis and evaluation; internal controls; and statistical data collection and analyses. She also establishes policy for the management of Automated Data Processing and telecommunication resources supporting all departmental and staff elements of the Veterans Administration. Finally, she has oversight responsibility for systems planning and acquisition actions.

In addition to her duties at the Veterans Administration, Linda is a member of the President's Council on Management Improvement. She serves as Chair of the Systems Committee.

Prior to working at the Veterans Administration, Linda held numerous positions in both the private and public sector. She has been Adviser to the Governor of North Carolina. And as I mentioned, she has served as Executive Secretariat, and also as Deputy Under Secretary for Management, at the Department of Education.

When she was back in Winston-Salem, Linda worked for Wachovia Corporation as Operations Officer and Manager of National Direct Student Loans.

Linda has been active in a host of community activities. She has held an elected post as a member of the Winston-Salem/Forsyth County Board of Education; she has served as area chair and recruiter for the Cancer Fund, Heart Fund, Multiple Sclerosis Fund, and United Way Fund Drives. She is currently on the Board of Directors of the Gardner-Webb College Alumni Association, and on the Board of Visitors of the Babcock School of Management at Wake Forest University.

Linda has a masters degree from Appalachian State University, a Doctorate from Virginia Polytechnic Institute State University, and an Honorary Doctorate from Gardner-Webb College. She was graduated from the Program for Senior Managers in Government at Harvard University.

PREPARED STATEMENT OF WADE FREDERICK HORN

Wade Frederick Horn, Ph.D., has been nominated by President George Bush to be Chief of the Children's Bureau/Commissioner for the Administration on Children, Youth and Families (ACYF) within the Office of Human Development Services in the Department of Health and Human Services.

Dr. Horn would administer programs serving children, youth, and families, including Head Start, Foster Care and Adoption Assistance, the National Center for Child Abuse and Neglect, Runaway and Homeless Youth Shelters, and anti-drug programs targeted for runaway youth and youth at-risk for joining street gangs.

Dr. Horn comes to HHS from Children's Hospital National Medical Center in Washington, D.C., where he was Director of Outpatient Psychological Services and Vice Chairperson of the Department of Pediatric psychology. From August 1987 through November 1988, Dr. Horn participated as a member of the Health Care Advisory Group to the George Bush for President Campaign. In December of 1988, Dr. Horn was subsequently asked to serve on the Presidential Transition Team at HHS. Since February of 1989, Dr. Horn has served as a full-time consultant in the Transition Office at KS.

Dr. Horn was born in Coral Gables, Florida, on December 3, 1954. Dr. Horn received his bachelor of arts degree from The American University in Washington, D.C., in December of 1975. Dr. Horn went on to received his Ph.D. in clinical child psychology from Southern Illinois University in Carbondale, Illinois, in August of 1981.

Following graduation from SIU, Dr. Horn completed a one year post-doctoral clinical research fellowship in the Behavioral Medicine Research Laboratory at Children's Hospital National Medical Center in Washington, D.C. Dr. Horn then went to Michigan State University in East Lansing, Michigan, where he was an Assistant Professor in the Department of Psychology. During his tenure at MSU, Dr. Horn was also appointed the Associate Director of the MSU Psychological Clinic, and Director of the MU Specialty Clinic in Pediatric Psychology. In July of 1986, Dr. Horn returned to Children's Hospital National Medical Center in Washington, D.C., where he was appointed Director of Outpatient Psychological Services and Vice Chairperson of the Department of Pediatric Psychology. Dr. Horn also holds an academic appointment within the George Washington University School of Medicine where he is an Associate Professor of Psychiatry and Behavioral Sciences.

Dr. Horn is married and is the parent of two children, ages 4 and 6 years. Dr. Horn and his family reside in Gaithersburg, Maryland.

RESPONSES TO QUESTIONS SUBMITTED BY SENATOR ROCKEFELLER

Question 1: What are your views concerning the role of ACYF in the formulation and implementation of children's policies and programs. Over the past decade and a half, ACYF seems to have lost its influence and clout in the constellation of executive branch agencies with responsibility for children's initiatives. Its programs, staff, and funding have not increased and it has had no major new initiatives in years. It has hung on because of Head Start, the ever popular early childhood demonstration program. As a final blow, the Reagan administration proposed reorganizing the agency out of existence—thus further dissipating the Federal focus on children and their families. Many of us worry about the future of Federal leadership on these issues in the face of a highly fragmented Federal structure.

(a) What role do you believe ACYF should have in the Federal arena for children's policies?

Answer: The proper role of the Administration for Children, Youth and Families (ACYF) is to administer programs on behalf of and advocate for the needs of children, youth and families. As Commissioner of ACYF, I intend to fulfill this role by providing strong leadership on children's issues both within and outside of the Department of Health and Human Services. I am a particularly strong advocate for empirical evaluations of services for our nation's children and families. The first step in all evaluation efforts is to be in a position to collect useful information. Consequently, I am a strong supporter of swift implementation of the National Data Collection System for Foster Care and Adoption Services. I am also a strong supporter of efforts to evaluate the impact of Independent Living programs, as well as a components analysis of Head Start so that we will be in a position to strengthen those aspects of Head Start most responsible for its success.

(b) How do you regard the Reagan administration proposal to abolish ACYF and have its three bureaus report directly to the Assistant Secretary for Human Development Services?

Answer: I do not agree with a prior proposal to abolish ACYF and have its three bureaus report directly to the Assistant Secretary for Human Development Services. I believe that such a reorganization of ACYF would only serve to fragment ACYF's advocacy role and diminish coordination among the many programs administered by ACYF.

(c) What role should ACYF have in the implementation of the new welfare reform legislation? Since child care figures prominently in effectively getting low income parents into education, training, and work, how would you propose coordinating with FSA and the other relevant Federal agencies in the implementation of the legislation?

Answer: ACYF has already entered into discussions with the Family Support Administration (FSA) to ensure that the needs of children and families are adequately addressed in implementing the new welfare reform legislation. For example, ACYF has proposed using Head Start grantees and regional resource centers to promote the JOBS program to AFDC families, as well as using Head Start centers as educational and training sites for JOBS participants.

Question 2: Head start has survived over twenty years as a demonstration. In this period of renewed concern for child care, many legislators and advocates have proposed expanding Head Start to serve all income eligible 3-and 4-year olds, expanding it to full-day and/or integrating it with other child care programs and arrangements in the communities, and expanding it to serve the children of working poor parents who may not meet the income eligibility requirements.

(a) Do you favor expansion of Head Start? If so, how?

Answer: I believe that all low-income four-year-olds should be afforded an opportunity to enroll in a quality and comprehensive preschool experience so that they will not be at a disadvantage, compared to higher income children, when they enter kindergarten. I believe that the best model for this type of experience is Head Start, and I will pursue every opportunity to encourage expansion of these types of preschool programs for low-income children. Reaching such a goal will require creative coordination of Federal, state, and local monies. One model for coordinating Federal and state monies to expand enrollment opportunities in comprehensive child development programs is for states to contribute funds directly to Head Start programs, as is currently the case in eight states. An alternative model is for states to fund school districts or nonprofit organizations to provide similar services in other settings. Currently, twenty-eight states and the District of Columbia provide such funding to school districts or nonprofit organizations. In addition to encouraging such coordination of funds and expansion of programs, I will also continue to advocate

for additional Federal funds to expand Head Start enrollment opportunities to income-eligible four-year-olds.

(b) To what extent should Head Start be reshaped as a child care and child development program?

Answer: Head Start has historically provided comprehensive child development services, combining early childhood education, health, parent involvement, and social services. I believe that this comprehensive approach is largely responsible for the success of Head Start. Nevertheless, I also believe that we need to encourage more Head Start centers to expand service hours through "wrap-around" arrangements so that child care needs of families, and particularly working parents, can be met. In doing so, however, care must be taken to ensure that the basic core of Head Start services are not jeopardized.

(c) Horn and to what extent should Head Start be coordinated with state-supported public school programs for 4-year-olds and community-based child care programs?

Answer: Head Start needs to aggressively seek coordination with state-supported public preschool programs and community-based child care programs in order to best serve the needs of low-income children and their families. I am committed to such coordination and will be proposing demonstration projects to determine the most effective coordination models.

Question 3: The child welfare system is in serious disarray, and many critics believe that the past Administration is largely responsible. In many states, there is a severe shortage of foster family homes to provide temporary care for children whose families are unable or unwilling to care for them, and as a result horror stories abound of children bouncing from one temporary placement to another. At the same time, there is growing evidence that the system is being asked to serve children with increasingly serious problems—drug addicted infants, boarder babies, children with chronic illnesses and disabilities (AIDS) and children with serious mental health problems—that most foster families are ill-equipped to deal with. Yet over the past 8 years, the Federal Government has taken little initiative to implement the provisions of PL 96-272 and to hold the states accountable as a condition of Federal funding. Basic reporting requirements have been neglected. Many child welfare experts express concerns that today we do not even have a firm sense of how many children are in state custody.

(a) What leadership should the Federal Government (i.e., ACYF) play in addressing the problems of the child welfare system?

Answer: ACYF must, through a variety of activities, play a strong leadership role in addressing the problems of the child welfare system. First, I believe that the National Center for Child Abuse and Neglect must again assert leadership in programming, research, and demonstration of exemplary preventative services to ensure that our nation's children are protected from willful harm. Preventing child abuse and neglect should substantially ease the burden of our foster care system, since over 60% of children who are placed in foster care are placed because of abuse or neglect. Second, I believe that our foster care system has become overwhelmed by a host of new challenges—most notably those due to the increased availability and abuse of cocaine and crack cocaine. ACYF must do all it can to encourage innovative approaches to overcoming this national tragedy. Third, I believe that we need to be more aggressive in removing barriers to adoption for those children for whom reunification with their families of origin is not possible or is contrary to the best interests of the child. In particular, we need to ensure that no child goes wanting for a permanent and loving home because of delays in agency or judicial processes, or biases against inter-racial adoption, or adoption by older, single, or handicapped persons.

(b) What role should informal systems play in caring for dependent and neglected children? How should the government help to strengthen these informal systems?

Answer: Informal systems play a large, and often effective, role in caring for dependent and neglected children. Informal systems most often entail having protective services caseworkers connect families in need with community resources, such as Alcoholics Anonymous, Parents Anonymous, church groups, and other community organizations. An example of such an informal system is a Nashville Tennessee project, funded by the Children's Bureau, in which local agencies use professional staff, mutual support groups, and trained volunteers in an early support and intervention program. Such informal networks were examined several years ago by NIMH, and reports of this effort are available through the Regional Research Institute for Human Services at Portland State University in Portland, Oregon (telephone number: 503-229-4040). It may be worthwhile for the Children's Bureau to consider funding additional studies of existing networks, and then to disseminate in-

formation on those that work well so that other communities can emulate these efforts.

(c) What role should family preservation initiatives have in the implementation of child welfare and protection policies?

Answer: Family preservation activities should 1e a major component of child welfare services. Such activities include preventive services, reunification of families, and after care. A major initiative, similar to the permanency planning project in the 1970's, could help to coordinate demonstration projects, replication projects, and develop of written materials. Such efforts could help to transform the child welfare system from primarily a substitute care system into a family support system.

A. Biographical Information:

1. Wade Frederick Horn, Ph.D.

2. 16049 Copen Meadow Drive
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3. 12-03-54, Coral Gables, Florida

4. Married

5. Two children:

   Christiana Watson Horn (age 6 years)
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6. 02/89 to present: Consultant, Transition Office
   Department of Health and Human Services
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   07-86 to 02-89 : Director, Outpatient Psychological Services
   Vice Chairperson, Department of Pediatric Psychology
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   Associate Professor of Psychiatry and Behavioral Sciences
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   09-82 to 06-86 : Assistant Professor of Psychology
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   East Lansing, MI 48824

   Associate Director
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   07-81 to 08-82 : Post-Doctoral Research Fellow
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   07-80 to 06-81 : Pre-Doctoral Internship
   Department of Pediatric Psychology
   Children's Hospital National Medical Center
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   09-76 to 06-80 : Graduate Student in Clinical Psychology
   Department of Psychology
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8. 02-89 to present: Consultant, Transition Office
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10-73 to 10-75 : Part-time Research Assistant
Sleep Research Laboratory
National Institutes of Mental Health
Bethesda, MD

9. American Psychological Association
American Psychological Association - Division 12 (Clinical Psychology)
American Psychological Association - Section 1, Division 12 (Section on Child Clinical Psychology)
Association for the Advancement of Behavior Therapy

10. Member, Presidential Transition Team
Department of Health and Human Services (HHS)

Member, Health Care Advisory Group
George Bush for President Campaign

Member, Republican Party, State of Maryland

Financial donation of $100 to the Republican Party, State of Maryland, February, 1989, Lincoln Day Dinner

11. Dissertation Research Award, 1979-1980
Southern Illinois University
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Member, Phi Kappa Phi honor society
Southern Illinois University chapter

Member, Phi Kappa Phi honor society
The American University chapter

12. Handfield, V., Horn, W.F., & Levy, J. (1976). Techniques of learning: Self-modification of academic behavior - Manual for staff members. JSAS Catalog of Selected Documents in Psychology, 6, 115.

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Pascoe, J.M., Ialongo, N., & Horn, W.F. (1988). The reliability and validity of the Maternal Social Support Index. Family Medicine, 20, 271-278.

13. Speeches: Over the past three years, I have been a speaker at a number of organizations, typically on the topics of child development, parenting, and psychopathology of childhood. All of these "talks" have been given either extemporaneously, or from talking points. Consequently, although I am able to provide dates for each of these speaking engagements, I am not able to provide a copy of the text of these "talks".

May, 1989, Attention Deficit Hyperactivity Disorder. Poolesville Elementary School PTA, Poolesville, MD.

April, 1989, Attention Deficit Hyperactivity Disorder. Sedwick Elementary School PTA, Gaithersburg, MD.

January, 1989, Learning Disabilities in Children. Montgomery County Public Schools, Rosemont Elementary School, Gaithersburg, MD.

October, 1988, Attention Deficit Hyperactivity Disorder. Montgomery County Public Schools, Washington Grove Elementary School.

May, 1988, Multimethod Treatment of Children with Attention Deficit Hyperactivity Disorder: Additive Effects of Methylphenidate, Parent Training, and Child Self-Control Instruction. Twenty-eigth Annual Meeting of the Ambulatory Pediatric Association.

March, 1988, Children's Access to "Dial-A-Porn", WDJY Radio, Washington, D.C., March, 1988.

February, 1988, Attention Deficit Hyperactivity Disorder. Montgomery County Public Schools, Stedwick Elementary School, Gaithersburg, MD.

February, 1988, Training Seminar on Child Development. Respite Care Services of Washington, D.C.

January, 1988, Attention Deficit Hyperactivity Disorder. The Endeavor Learning Center, Rockville, MD.

December, 1987, Attention Deficit Hyperactivity Disorder. The Pediatric Care Center, P.C., Rockville, MD.

November, 1987, Training Seminar on Child Development. Respite Care Services of Washington, D.C.

November, 1987, Validation of a Home-Based Observation System for Use with Families of Hyperactive Children. Twenty-first Annual Meeting of the Association for the Advancement of Behavior Therapy.

November, 1987, Attributional Styles of Hyperactive Versus Normal Children. Twenty-first Annual Meeting of the Association for the Advancement of Behavior Therapy.

November, 1987, The Effects of Psychosocial Stress on Mothers' Engagement in Behavioral Parent Training. Twenty-first Annual Meeting of the Association for the Advancement of Behavior Therapy.

November, 1987, Developmental Differences in Attention Deficit Disorder. Twenty-first Annual Meeting of the Association for the Advancement of Behavior Therapy.

October, 1987, Training Seminar on Child Development. Respite Care Services of Washington, D.C.

September, 1987, Multimethod Treatment of Attention Deficit Hyperactivity Disorder. Grand Rounds, Children's Hospital National Medical Center, Washington, D.C.

July, 1987, Training Seminar on Child Development. Respite Care Services of Washington, D.C.

June, 1987, Training Seminar on Child Development. Respite Care Services of Washington, D.C.

April, 1987, Training Seminar on Child Development. Respite Care Services of Washington, D.C.

February, 1987, Attention Deficit Hyperactivity Disorder in Children. Montgomery County School Nurses Association, Rockville, MD.

February, 1987, Training Seminar on Child Development. Respite Care Services of Washington, D.C.

January, 1987, Behavioral and Learning Problems in Childhood. Department of Pediatrics, Bethesda Naval Hospital, Bethesda, MD.

August, 1986, Additive effects of Psychostimulant Medication, Behavioral Parent Training, and Self-Control Therapy with ADD-H Children. Ninety-fourth Annual Meeting of the American Psychological Association.

May, 1986, Attention Deficit Disorder in Children. Intermediate School District, Jackson, MI.

February, 1986, Attention Deficit Disorder in Children. Williamston Public Schools, Williamston, MI.

February, 1986, WILX-TV, Treatment of Attention Deficit Disorder in Children. East Lansing, MI.

January, 1986, WKAR Radio, Child Development and Parenting. East Lansing, MI.

14. Qualifications:

I believe that I am qualified for the position of Chief of the Children's Bureau by virtue of my past training and experience in the field of child clinical psychology. More specifically, I believe that my doctoral training in the field of child development will prove invaluable towards my understanding of the issues important to the constituents of the Children's Bureau, and that my experience in the administration of service delivery programs to children and their families prepares me for the challenge of administering these programs.

PREPARED STATEMENT OF GWENDOLYN S. KING

When I entered the Social Security Office in Newark, New Jersey shortly after my sixteenth birthday to apply for my Social Security card, the most remote thought from my mind was the possibility that the president of the United States one day would nominate me to be a Commissioner of the Social Security Administration. I wish to take this opportunity to express my deep appreciation to President Bush for honoring me with this nomination. I also want to thank you, Mr. Chairman, for giving me this opportunity to present myself to this Committee for your consideration, advice, and, hopefully, your consent.

Much has happened to the Social Security program since I first received my card. Today, nearly three million aged, blind, and disabled Americans receive benefits under the Supplemental Security Income program (SSI), a benefit which was nonexistent only 15 years ago.

Today Social Security beneficiaries can receive health insurance benefits under Medicare—an idea which was cursed as socialized medicine during the period when my card was issued.

As recently as eight years ago, many tax paying participants of my generation were uncertain, some even doubtful, that Social Security would be there for them as a safety belt at retirement, as it has been, and still is, for over 38 million current beneficiaries. Thanks to the bipartisan National Commission on Social Security Reform and the leadership of this Committee, by sponsoring the enactment of many of the proposed reforms, Social Security's future rests on a very sound financial foundation.

In the intervening years between my Newark, NJ visit and today, I have been fortunate to come to know Social Security more than as just a card carrying member. My apprenticeship began more than 15 years ago, when I was assigned to the Health Education and welfare Secretary's nerve center—the Executive Secretariat. There I was required to work directly with the Social Security Commissioner's office, other key health and welfare agencies, and, of course, the Secretary and his senior staff to ensure that the many complex issues related to the Department's programs were resolved.

A few years later, as the senior Legislative Assistant to Senator John Heinz, my primary responsibilities were to work with the Senator, as I did with the staff of this Committee, on matters dealing with aging and retirement, Medicare and Medicaid, disability and appeals, and the broader questions of income support and dependency related programs. I can well recall the many hours, seated in this room with a lapful of papers, fearful that I would be asked to explain in twenty words or less the difference between the AIME and the PIA.

Quite recently, while working at the White House as a Deputy Assistant to the president, I had the opportunity to become reacquainted with the Department and the issues as we reviewed welfare reform, and catastrophic health insurance.

I welcome this opportunity, if confirmed, to return to a Department that I know well, and to assume responsibility for a program which has served so many so well. For along with this opportunity comes a great challenge. Despite the financial soundness of the program, important issues still must be addressed. I know that Members of this Committee have expressed concerns and sponsored legislation to address matters ranging from increasing the retirement earnings test to creating an independent agency.

While each legislative initiative or proposal growl out of a separate concern, in my judgment all share a common goal: to create a fairer, more efficient and humane Social Security system. That is my goal as well, and I can assure this Committee that I will pursue this goal with a sin3le-minded passion, in consultation and cooperation with this Committee, if confirmed.

Sixteen years of public service have enabled me to span a range which extends from classroom teacher to cabinet level officer in State government, to Deputy Assistant to the Chief Executive of this Nation, working on a daily basis with over 50 governors and hundreds of mayors and county officials. These experiences have taught me one essential lesson: success in a public endeavor is never the result of any single person's efforts. The only way we can achieve our goal of a fairer, more efficient and humane Social Security system is to ensure that all of us who will make up the SSA workforce of 65,000, and those who will determine the future direction of legislative guidance, dedicate ourselves to the delivery of excellent, quality service to the 39 million current beneficiaries and to the beneficiaries of the future.

For my part, there is no substitute for committed leadership hands-on leadership—to achieve that end. The employees of SSA, by and large, are skilled, talented and dedicated public servants. They deserve a leadership which respects and trusts them; a leadership which can establish and communicate our principal goals and objectives and at the same time motivate and inspire them by example, which I hope to set; and a leadership that recognizes, thanks and rewards them for their contributions to the mission.

The only reason SSA exists is to serve its program beneficiaries. When I created and directed the nationwide consumer complaint office for a Federal Department, I had a single goal. It was neither original nor particularly profound, but it was important nonetheless. Our mission was not simply to handle complaints, but rather to eliminate the need for them at all. Preventing or eliminating whatever causes problems for our SSA beneficiaries and the tax paying public will be a chief task of mine.

And why? It is true that for most of our fellow Americans, Social Security is not the only source of retirement or help in case of disability. But that is not the whole truth. For many it is their only lifeline. For the senior citizen living alone without a private pension, for the child at home with a widowed parent, for the taxpayer, whose only contact with our government comes from contact with the Social Security office and the IRS, what we do or what we fail to do could have a profound, and unfortunately devastating, effect on their lives. We must understand the need to reach out to the most vulnerable among those we serve and ensure for them the "security" that is our mission.

If confirmed as Commissioner, rest assured I shall accept responsibility and accountability for all that SSA does or all that it fails to do.

I appreciate this opportunity you have given me this morning. Again, I express my appreciation to president Bush, Secretary Sullivan and to this Committee, and I look forward to answering any of your questions.

GWENDOLYN STEWART KING

Gwendolyn S. King was named Executive Vice president of the Washington firm of Gogol and Associates in April, 1988. Prior to joining Gogol, Mrs. King served as Deputy Assistant to President Reagan and Director of the Office of Intergovernmental Affairs at the White House. In that capacity, Mrs. King had the primary responsibility of working with the Nation's governors, mayors and state legislators to keep the White House lines of communication open to elected officials.

While on the President's staff, Mrs. King was appointed to the additional posts of Commissioner, Advisory Commission on Intergovernmental Relations; Member, Interagency Committee on Women's Business Enterprise; and Director, White House Task Force on Puerto Rico. In February, 1988, President Reagan appointed

Mrs. King to the official Delegation representing the United States Government at the inauguration of president Rho Tae Woo of the Republic of Korea.

Three months after her departure from the White House, the President nominated her to membership on the Board for International Food and Agricultural Development for a term expiring July 28, 1992.

A *cum laude* graduate of Howard University, Mrs. King taught in Niagara Falls, NY, and Washington, D.C. before beginning graduate studies at the George Washington University and her sixteen year career in public service. She joined the U.S. Department of Health, Education and Welfare where she coordinated health policy matters for then Secretary Caspar Weinberger. Mrs. King was subsequently asked to serve as the Director of the newly established Division of Consumer Complaints at the U.S. Department of Housing and Urban Development.

During the 95th Congress, Mrs. King served as senior legislative assistant to U.S. Senator John Heinz (R-PA). In addition to speechwriting, she advised the Senator on aging, education, health, human rights, and environmental issues. She served as the principal staff person for the Senator on health care finance (Medicare and Medicaid), Social Security, and disability matters before the Finance Committee.

Having distinguished herself as an achiever with a broad, multi-disciplined background and public service experience, Mrs. King was asked by newly elected Governor Dick Thornburgh to direct Pennsylvania's first full time, professionally staffed Washington, D.C. office. Mrs. King successfully mobilized the Pennsylvania Congressional Delegation to win support for the cleanup of Three Mile Island, unemployment compensation relief during the 1982 recession, and relocation of the burning town of Centralia, PA.

Mrs. King, an active member of the Duke University Board of Visitors, is a Founding Member of Women Executives in State Government, a national organization of women who serve in the top appointed and statewide elected positions in the executive branch of state government.

A New Jersey native who now makes her home in Washington, D.C., Mrs. King is married to Colbert I. King, an international banker, and has three children.

Enclosures.

RESPONSES TO QUESTIONS SUBMITTED BY SENATOR ROTH

Question 1.— Biennial Budget: This year the Social Security Administration will have to keep account of an estimated 180 million individual payroll records of current workers and 39 million individual benefit levels of retirees. This is an enormous task, and some would argue strongly that the Social Security Administration is inefficient. I have long supported the idea of establishing a 2-year appropriation for the administrative accounts of the Social Security Administration because I feel it would provide greater certainty for the Social Security administrators who plan the vast personnel and resource needs of the system and increase the confidence that the system is operating well.

Ms. King, I would appreciate your opinion of a biennial budget for the Social Security Administration.

Answer: I strongly support a 2-year appropriation cycle. I was pleased to see President Bush's endorsement of this concept in his February 9 address to the Congress and will be looking into the specific implications of such an arrangement for the Social Security Administration.

Question 2.—Independent Agency: Ms. King, many believe that the Social Security Administration should be an independent agency rather than being under the jurisdiction of HHS. Proponents of this idea argue that because of its self-financing nature, the Social Security Administration is worthy of independent status. Opponents might argue that due to Social Security's vast financial implications on the economy and society, it must be continuously evaluated in conjunction with the other functions of the Government.

What is your opinion,

Answer: I am sure that you are familiar with concerns expressed by this and earlier Administrations about making SSA an independent agency. I share those concerns.

As a former Senior White House Advisor, I have sat in Cabinet level Economic and Domestic Policy Council meetings, and I know how important it is for an Agency to have a strong, clear advocate in those meetings. I am concerned that making SSA an independent agency would leave it unrepresented and without a spokesperson in cabinet-level meetings. Moreover, I am convinced that the Department of Health and Human Services has the institutional capacity to address and meet the needs of our most vulnerable beneficiaries—the aged, blind, and disabled.

Separation of SSA's programs from Medicare, Medicaid, AFDC, the Public Health Service and the Office of Human Development Services' programs for older Americans and other social services would disrupt the ability of HHS to bring a coordinated approach to our special populations. I am, therefore, personally opposed to making SSA an independent agency, a concept that "sounds supportive" but could leave the trust funds and the program vulnerable and fragmented.

Question 3.—Earnings Limitation: As you know, under current law, if an individual continues to work after Social Security benefits start, that individual is subject to an earnings limitation until age 70. If a person earns more than the $8,880 limitation, Social Security will reduce his or her benefits by $1 for every $2 earned over the limit. I believe this earnings limitation is a work disincentive that makes little sense today. Whether it be to remain active or simply make ends meet, more and more seniors want to continue working, and yet the earnings limitation discourages them from doing so. In the past, I have introduced legislation togradually eliminate the earnings limitation and will continue to support efforts to achieve this.

I am curious to know of your stance on this issue.

Answer: I agree that we should not be discouraging our older citizens from working, especially when all indications are that we will need their skills in the work force.

I plan to give the issue early and full consideration and look forward to working with you on this important matter.

Recent congressional consideration of the earnings test issue appears to confirm our mutual view that we must move gradually in the direction of providing incentives—not disincentives—to our experienced, elderly workers.

Question 4.—Social Security and the Federal Budget: Some argue that the current method of investing the Social Security Trust Funds surpluses in Treasury securities is a deceptive way of doing business. As the surplus builds over the coming years, an increasing amount of the national debt will be held by the Social Security Trust Fund. Some say that this reduces the pressure on Congress to make hard choices about federal spending because it masks the true size of the Federal deficit.

What do you consider the proper budgetary treatment of the Social Security Trust Funds?

Answer: The 1983 Social Security Amendments were carefully crafted by a bipartisan commission after exhaustive deliberations, and any significant change in the operations of the trust funds should be given the same consideration. The effects of the subsequent Gramm-Rudman-Hollings deficit reduction legislation should be similarly carefully reviewed.

Secretary Sullivan, in his June 19 announcement of the appointment of the new quadrennial Advisory Council on Social Security, specifically asked the new council to review "major Social Security financing issues, including . . . the relationship of the Social Security trust funds to the Federal budget as a whole." I think the recommendations of the Advisory Council and the views of others interested in how the trust funds are considered for purposes of determining the deficit will have to be considered before the issue is resolved. This is an area where the Administration and the Congress must again work carefully in a bipartisan effort before making a decision.

Question 5.—Deceptive Mailing Practices: I have long been concerned about the misleading and questionable tactics used in certain direct-mail solicitations. These mailings prey on the fears of the elderly and often center around some stipulated relationship to the Social Security system. Legislation passed by the Congress a year ago contains strong restrictions on the use of the words "Social Security" or copies of Social Security cards or emblems to give false impression that the Federal Government is endorsing a particular organization. It is my understanding that the new regulations are working well.

What further measures, in the way of education for instance, would you take as Commissioner to insure that the public confidence in the Social Security Administration is not undermined?

Answer: I have had firsthand experience with such direct-mail solicitations. My late grandmother received such a seemingly official letter, and my husband and I made an urgent trip to New Jersey only to find that what had upset my grandmother was a crass solicitation for funds.

I plan to continue SSA's aggressive public information campaign through our 1,300 field offices and through public interest and advocacy groups to educate and inform the public about the program and the services Social Security provides. Public awareness of this issue has dramatically increased as the result of congressional hearings and extensive media coverage. I would ask that you continue to

work with me to assure that these misleading and questionable tactics do not undermine public confidence in SSA.

Question 6: What initiatives, if any, would you propose to further combat the problem of understaffing in local Social Security offices?

Answer: As I indicated during the confirmation hearing, I believe there must be a balance in the efficiency and service that SSA provides to its beneficiaries. I believe that a workforce that is trained and able to perform its mission will be able to provide that level of service. This is an area of top priority for me personally, and I will be monitoring field office staffing firsthand.

Question 7.—The Notch: You are probably aware of those Social Security beneficiaries born between 1917 and 1921 who call themselves "notch babies." Certainly, we here in congress are well-aware of them. Some people in this group believe that they are being treated unfairly by Social Security when compared to those born before them. The fact of the matter is that people born before 1916 do receive "windfalls" which give them higher benefits, but those born after 1916 all receive equitable treatment by Social Security. In fact, those born in the 1917 to 1921 "notch" often receive more in Social Security benefits than those born after them.

What is your opinion on the "notch" and would you take action to adjust benefits for those affected by it?

Answer: Paying the "notch babies" the same high benefits as those people born before 1916 who get unintended windfalls would be very costly. I do not expect to recommend action in this area.

Responses to Questions Submitted by Senator Pryor

Question 1: In the last 4 years, SSA's staff has been cut by around 20,000 workyears. Another 2,400 reduction is proposed for the next fiscal year, totaling a more than 26 percent staff cut. As you may know, very serious deficiencies in the agency's representative payee screening and monitoring processes were raised at a recent hearing I chaired at the Aging Committee. Since these deficiencies can only be corrected through expanded screening and monitoring—both labor intensive responsibilities—how can you make these needed program improvements while these staff cuts are being made?

Answer: I certainly agree that we should exercise the utmost care when appointing a payee and should provide adequate oversight to ensure that payments are used for the benefit of the person for whom they are intended. That is one of the reasons I think it is imperative that we complete our systems modernization efforts. Completing our modernization will assure that field staff will be freed up from other duties to more fully respond to these and other special needs of the public we serve.

I understand that SSA has several initiatives in place and planned that will allow for expanded representative payee screening and monitoring. Accordingly, we are planning to increase the budgeted workyears allocated to representative payment. In addition, we have reached out to organizations who are concerned, as we are, with beneficiaries who may not be able to handle their financial affairs and will work with those organizations to improve our representative payment process.

Question 2: I also am concerned about SSA's 800-number initiative, on which I held an Aging Committee hearing last April. Expanding the 800 number—requiring an additional 1,000 full-time staff or more—at the same time the agency is pushing to cut staffing by 2,400 will further hurt already under-staffed field offices.

(a) As Commissioner, what specific steps will you take to ensure that the expansion of the 800 number is not at the expense of staffing levels in field offices?

Answer: You have my assurance that expansion of the 800-number service will not be at the expense of any further staffing in our field offices. As I mentioned at my confirmation hearing, I will continue to review planned systems and procedural improvements to ensure local offices will be able to handle assigned workloads.

(b) Will you agree to halt further expansion of the 800-number system until this and other problems in this area are resolved?

Answer: I believe that expansion of 800-number services is essential. A fully effective 800 number system can help free up the field staff allowing them more time to respond to the special needs of our applicants and beneficiaries. I will move ahead to complete the full implementation of the National 800 Number Service consistent with my objectives of providing the highest quality service to beneficiaries.

Question 3: As you know, the 800-number initiative is part of the so-called *Project 2000 Plan,* the agency's blueprint for the year 2000. The plan would rapidly automate and centralize service and replace the personalized community-based service system now in place. It would profoundly change the way SSA serves the public, yet

no public hearings were held before the plan was adopted. Would you agree to hold public hearings to ask elderly and disabled persons what service system they desire before moving forward with the plan? If so, when? If not, why not?

Answer: Several recent surveys by OIG, GAO, and SSA have convinced me that we are moving in the right direction toward meeting our beneficiaries' needs. I look forward to discussing with you SSA's progress toward the goals of the *Project 2000 Plan,* and I would certainly encourage the public to share their views about our performance with us.

Before making any commitments about the future evolution or implementation of the Plan, I want to take some time to review it personally. I will keep the concerns you have expressed in mind as I do so.

Responses to Questions Submitted by Senator Rockefeller

Question 1.—Independent Agency: As you know, there is a growing call among the nation's seniors to remove Social Security entirely from the Federal budget process by creating an independent Social Security Administration. What is your view on this proposal?

Answer: I am sure that you are familiar with concerns expressed by this and earlier Administrations about making SSA an independent agency. I share those concerns.

As a former Senior White House Advisor, I have sat in Cabinet level Economic and Domestic Policy Council meetings, and I know how important it is for an Agency to have a strong, clear advocate in those meetings. I am concerned that making SSA an independent agency would leave it unrepresented and without a spokesperson in Cabinet level meetings. Moreover, I am convinced that the Department of Health and Human Services has the institutional capacity to address and meet the needs of our most vulnerable beneficiaries—the aged, blind, and disabled. Separation of SSA's programs from Medicare, Medicaid, AFDC, the Public Health Service and the Office of Human Development Services' programs for older Americans and other social services would disrupt the ability of HHS to bring a coordinated approach to our special populations. I am, therefore, personally opposed to making SSA an independent agency, a concept that "sounds supportive" but could leave the trust funds and the program vulnerable and fragmented.

Question 2.—Earnings Limitation: On two separate occasions in recent months, the Senate has voted to relax the limit on outside income imposed on Social Security beneficiaries. As you know, in 1987 former Health and Human Services Secretary Otis Bowen and Commissioner Hardy recommended to President Reagan that the earnings limit be dropped. What is your position on this, and what recommendation would you make to President Bush in this regard.

Answer: I agree that we should not be discouraging our older citizens from working, especially when all indications are that we will need their skills in the work force.

I plan to give the issue early and full consideration and look forward to working with you on this important matter.

Recent congressional consideration of the earnings test issue appears to confirm our mutual view that we must move gradually in the direction of providing incentives—not disincentives—to our experienced, elderly workers.

Responses to Questions Submitted by Senator Moynihan

Question 1: In November 1985 we learned that the Secretary of the Treasury had been secretly disinvesting the Social Security Trust Funds. And in no small sums. $28 billion in 1985. $10 billion in 1984. It must be said that the Secretary was operating under debt ceiling constraints and faced a difficult decision between disinvestment and default on U.S. obligations. But this should not have been a covert activity. My question is: If you were Social Security Commissioner, and you knew of such activities, would you inform the Congress, or take steps to ensure that the Congress was informed?

Answer: Yes.

Question 2: Do you think it is appropriate for the Social Security Administration to verify Social Security numbers for private credit agencies?

Answer: No.

Question 3: In New York some Social Security field offices are now closing to the public at 3:30 in the afternoon so they have time to deal with backlogged work. It appears that service to the public is suffering from staff reductions at SSA. Do you think this reduction in service to the public is acceptable?

Answer: As I understand it, in June, SSA began a 6-month experiment in 28 New York field offices located in Brooklyn; Queens, Nassau, and Suffolk counties; and Rochester. Its purpose is to test whether service to the public is improved by maximizing the number of personnel available to interview the public early in the day. It also provides an uninterrupted block of time for employees to process claims and other paperwork. The experiment was prompted by SSA experience that 90 percent or more of field office visitors arrive before 3:30 p.m.

I have asked for an interim report on the results to date of this demonstration. I intend to closely monitor this experiment over the next 30 days to ensure that no reduction in service to the public is taking place. If such assurances are not confirmed, the experiment will be terminated.

Question 4: The Social Security administrative appeals process is a nightmare for the Nation's disabled individuals. It takes almost 2 years to go through the entire process to Federal court. In December 1988 Commissioner Hardy killed draft regulations (while continuing to defend them) in the face of congressional criticism that they would have curbed the rights of hundreds of thousands of disability claimants to appeal their benefit denials. Do you think these draft rules were a reasonable approach to reform?

Answer: I did not review the preliminary draft regulations that former Commissioner Hardy rejected last year. Since they had been discarded, I did not feel it was necessary.

As I begin in-depth briefings on the entire process, I will review what has taken place in the recent past. Knowing of your concerns, I will be happy to have any views you may have on improving the hearings and appeals procedures.

OUTLINE OF INFORMATION REQUESTED OF NOMINEES

A. BIOGRAPHICAL:

1. Name: Gwendolyn S. King
nee: Gwendolyn Anne Stewart

2. Address: res. 1506 Hamilton Street, N.W.
Washington, D.C. 20011

bus. Gogol and Associates
1701 K Street, N.W., Ste. 400
Washington, D.C. 20006

3. Date and place of birth:
September 23, 1940
East Orange, NJ

4. Marital status: Married to Colbert I. King

5. Names and ages of children:
Robert F. King, 27
Stephen C. King, 24
Allison J. King, 22

6. Education: George Washington University
9/72 - 5/74 (graduate studies p.t.)

Howard University
9/58 - 6/62 B.A., cum laude

7. Employment record:

a. Executive Vice President, Gogol and Associates
1701 K Street, N.W., Washington, D.C.
April 1988 - present

b. Deputy Assistant to the President and Director, Office of Intergovernmental Affairs, The White House
1600 Pennsylvania Avenue, N.W., Washington, D.C.
April 1986 - March 1988

c. Director, Washington Office of the Governor of PA
400 North Capitol Street, Washington, D.C.
December 1979 - April 1986

d. Legislative Assistant, U.S. Senator John Heinz
Russell Senate Office Building, Washington, D.C.
May 1978 - November 1979

e. Director, Division of Consumer Complaints, U.S. Dept. of Housing and Urban Development, Washington, D.C.
March 1976 - May 1978

f. Health Desk Officer, Office of the Secretary, U.S. Dept. of Health, Education, and Welfare, Washington, D.C.
September 1974 - March 1976

g. Management Intern, U.S. Dept. of Health, Education and Welfare, Washington, D.C.
September 1972 - September 1974

h. Clerk Typist/Employee Trainer, Public Health Service
5600 Fishers Lane, Rockville, MD
September 1971 - September 1972

i. Reading Specialist, Public Schools of the District Washington, D.C.
September 1970 - September 1971

j. Teacher, Public Schools of the District of Columbia
Washington, D.C.
December 1963 - May 1966

k. Teacher, Public Schools of Newark, NJ
30 Green Street, Newark, NJ
September 1963 - October 1963

l. French Teacher, Niagara Falls Public Schools
Niagara Falls, NY
December 1962 - June 1963

8. Government experience: Federal - see b,d,e,f,g,h above
State - see c above
Local - see i,j,k,l above

In my current capacity, I have provided professional consulting services to the Council of Great Lakes Governors, the Cities of Indianapolis, South Bend, Columbus, IN; Lancaster, PA; and the State of Indiana.

9. Memberships: Carter Baron East Neighborhood Association
Duke University Board of Visitors
Women Executives in State Government
Alpha Kappa Alpha Sorority

10. Political affiliations and activities:

I have held no memberships and offices.

Volunteer on telephone banks for re-election of Governor Thornburgh. 1982

Volunteer with Outreach Coalitions responsible for hospitality suites for George Bush for President. 1988

$200 to Governor Thornburgh
$200 to John Mutz (Republican candidate for Governor, IN)

11. Honors and Awards: 4 year academic scholarship to Howard University

Honors Society, Howard University

Outstanding Achievement Award, HUD

Employee MeritCash Award, HEW

12. Published writings: INTERGOVERNMENTAL PERSPECTIVE Spring 1988. "View from the Commission"

FORUM for Applied Research and Public Policy: Spring 1989 "Controlling the Federal Appetite for Mandates"

13. Speeches:
Remarks before the National Association of State Auditors Comptrollers, and Treasurers, October 16, 1986

Keynote Address, Federal Emergency Management Seminar, Emmitsburg, MD, January 21, 1988

Luncheon Address, National Assistance Management Association, GWU, Washington, D.C. March 15, 1988

Several lectures from notes and outlines: full text not printed. (see attached)

14. Qualifications:

With sixteen years of professional management training and experience, including ten years of federal and six years of state government experience of increasingly senior level responsibility, I will bring a unique perspective to SSA, if confirmed. Having viewed the operation from the perspective of the Office of the Secretary of Health, Education, and Welfare; as a legislative assistant responsible for aging, health and social security issues for a Member of the Senate Finance Committee; and as senior White House staff representative to the Domestic Policy Council and the Economic Council for the Office of Political and Intergovernmental Affairs, I understand the management challenges and opportunities that lie ahead.

Management of an agency employing over 63,000 people and serving more than 38 million beneficiaries requires an ability to ensure that the goals for Social Security as established by the Congress and the Administration are met through the actions and decisions taken by the Commissioner and employees of the agency. In my many years of administrative and management experience, I have always accepted responsibility for all that my staff has done or has failed to do, and have acted decisively to make and communicate decisions as required. I have always worked in a bi-partisan way to coordinate and consult with a broad range of interested parties. This philosophy is especially important in an agency like the Social Security Administration where the importance of the mission must supersede partisan politics.

As the first full time professional Director of the Washington Office for the Commonwealth of Pennsylvania, with cabinet-level status, I broadened my base of knowledge and experience, through the coordination of Federal and State responses to difficult issues like the first nuclear disaster in the Nation's history and the burning town of Centralia. I understand the need for accurate, timely communication, while offering compassion and understanding to the people who are most adversely affected. This sensitivity I would bring to SSA, where current and future beneficiaries must be reassured that the trust funds will be ably and diligently managed.

Finally, in my positions as staff to a Member of the Finance Committee and to the President, I gained an appreciation for the complex and interrelated programs administered by the agency and the need for early and ongoing consultation with the Congress. The work of the 1983 Commission to protect the long term integrity of the OASDI trust funds has served as an example of what can be accomplished when the legislative and executive branches work as partners.

Prepared Statement of Senator William V. Roth, Jr.

Thank you, Mr. Chairman. We on the Finance Committee have been looking forward to receiving a nominee for the position of Commissioner of the Social Security Administration, and I must say that I am very pleased with the President's choice. Gwendolyn King is no stranger to government service—she has a wealth of work experience both in the legislative and executive branches. The fact that she is so highly regarded by those she has worked for, including our own Senator Heinz, says much about her competence and abilities.

Ms. King, I welcome you here today and look forward to your testimony. As I am sure you will agree, Social Security is our most important social programs. As Commissioner of Social Security you will take control of a program that directly and significantly effects millions of lives; this year about 170 million people will be either paying into or receiving benefits from Social Security. Considering that Social Security affects so many Americans, the Social Security Administration has a remarkable record of achievement, and I have no doubt that Social Security will continue to thrive under your leadership. Beyond maintaining the fiscal integrity of the trust funds, it will be your job to continue to improve service to the public, to educate the public about Social Security, and to oversee the some 80,000 federal employees who work for the Social Security Administration. All of this adds up to an awesome challenge—but it is one that I am sure you will be able to meet with great success.

Social Security is a program that must maintain its obligation to society. Social Security must be kept strong and fair to sustain its commitment not only to today's beneficiaries, but to the millions who are counting on it being there in their future. The importance of this program goes beyond simple expectations; ultimately, Social Security reflects a certain trust between this government and the citizens of this nation. As Commissioner, Ms. King, it will be your duty to ensure that this trust is not violated, but rather that it is heightened.

Prepared Statement of Senator Terry Sanford

Thank you Mr. Chairman for allowing me to appear before the Finance Committee on behalf of a fine North Carolinian, Ms. Linda Combs, who has been nominated by the Administration to fill the Assistant Secretary of Management position within the Department of Treasury.

I am very pleased with the Administration's choice. Ms. Combs most recently has served the citizens of our great nation in her capacity as Deputy Associate Deputy Administrator of Management for the Department of Veterans' Affairs, and in a like position, Under Secretary for Management at the Department of Education. Ms. Combs has ably demonstrated her expertise in management at all levels, from productivity enhancement to policy implementation and development. Her education, beginning as a graduate of North Carolina's Appalachian State University, enhances her management experience. The talents she offers the Department of the Treasury are invaluable.

As a fellow North Carolinian, I am proud of her involvement in state and community activities. As her record attests, she has been very involved in community education programs and numerous funding drives for everything from the United Way to the Cancer Fund. Dr. Combs served as an advisor to the Governor of North Carolina, as well as an operations officer for student loans at one of North Carolina's largest banks. The level of Ms. Combs involvement in numerous community action areas is inspiring, and I admire her commitment to improving the quality of life for all North Carolinians.

Ms. Combs is a very dedicated public servant, Mr. Chairman. I am honored to introduce her today to the Committee as you meet to consider her nomination for Assistant Secretary of the Treasury for Management. I am confident of her abilities and solidly support her appointment.

Thank you for your consideration.

Prepared Statement of John N. Sturdivant

Mr. Chairman, members of the Committee, my name is John N. Sturdivant. I am President of the American Federation of Government Employees (AFGE) AFL-CIO, which represents more than 700,000 federal employees working throughout the government. On behalf of the 55,000 workers at the Social Security Administration

(SSA) whom we represent, I thank you and this Committee for this opportunity to testify.

Mr. Chairman, my remarks this morning will be brief. I would like permission to revise and extend my statement for the record.

AFGE does not oppose the nomination of Mrs. King to be the next Commissioner of the Social Security Administration (SSA). Assuming she is confirmed, we are looking forward to forming a partnership with Mrs. King within which union and management can work together to solve a number of serious issues facing SSA. At this time we would like to bring those problems to the attention of this Committee.

As you know the SSA embarked on an ambitious program of staffing reductions in 1985. In that year the Congress appropriated funds for 86,213 workyears The SSA's budget request for fiscal year 1990 is 63,911 workyears, a difference of 22,302 workyears or a 26% reduction in staff.

By all accounts, both managers and rank and file employees are rapidly sinking under the burden of an ever growing workload and the fact that they cannot serve the public as it deserves to be served. In a recent AFGE nationwide survey of SSA field offices, we found the following:

- 73.5% of the employees in field offices said benefit changes are not processed in a timely manner,
- 58% said phone service is not better than it was three years earlier,
- 87% said that there is not enough staff to adequately serve the public,
- 69.9% said that there is not enough time to complete all tasks by the end of the day,
- 77.8% of the employees said that they believed that the overall morale of their coworkers was poor,
- 42.8% of SSA's rank and file employees—the ones who serve the public every day in SSA's field offices—are looking for a new job outside of SSA.

The Agency's own survey of its managers yielded similar results in similar subject areas.

The initial rationale for the staffing reductions was that "systems modernization" would allow for the reductions. However, year after year the GAO has reported that the SSA is having major problems with its modernization. It is years behind its initial implementation schedule. In fact SSA has not even begun work on the SSI software package, the Agency's most difficult and most labor intensive program.

Subsequently, the SSA began to argue that "program improvements" along with systems modernization would justify the staffing reductions. So-called "program improvements" have resulted in a major shift in the way SSA delivers its services. For example, disability applicants are told to take the application forms home and return them once they are completed. This practice results in many applicants falling through the cracks. Further, beginning October 1, 1989 the public will no longer be able to call their local Social Security offices. In fact many offices no longer have their addresses in the local phone books. All of this has been done in the name of "efficiency" and "program enhancements." In fact the SSA program is neither more efficient nor enhanced. The public has to work harder and harder to be heard and to get served. In addition, the Congress recently was forced to stop the Agency from proceeding with changes in the hearings and appeals systems that would have deprived some of our most vulnerable citizens of basic rights. Changes such as those mentioned above are effected largely because there simply are not enough people to do the job thoroughly and properly.

The SSA is in a state of confusion and disarray. Thousands of SSA's best employees have left in recent years, largely out of their feeling that they simply could no longer do justice to their work. The new Commissioner can stem the tide of resignations and restore the public's faith in SSA with a top to bottom review of the "program improvements" and "systems modernization" to determine their impact on service delivery.

Mr. Chairman, our people care about their Agency, the work they do and the people they serve. AFGE stands ready to work cooperatively with the new Commissioner to restore SSA to its place as the crown jewel of our Nation's domestic programs. We look forward to working with this Committee and the new Commissioner.

Thank you for the opportunity to testify today. I would be happy to try and answer any questions that you may have.

COMMUNICATIONS

U.S. OFFICE OF GOVERNMENT ETHICS,
Washington, DC, July 14, 1989.

Hon. LLOYD BENTSEN,
Chairman, Committee on Finance,
U.S. Senate,
Washington, DC

Dear Mr. Bentsen: In accordance with the Ethics in Government Act of 1978, I enclose a copy of the financial disclosure report filed by Ms. Linda M. Combs, who had been nominated by President Bush to be Assistant Secretary for Management, Department of Treasury.

We have reviewed the report and have also obtained advice from the Department of Treasury concerning any possible conflict in light of its functions and the nominee's proposed duties. As noted in the enclosed letter to me from Ms. Barbara S. Fredericks, Acting Deputy General Counsel, Department of Treasury, Ms. Combs has agreed to recuse herself from any matters involving the American Telephone and Telegraph Company, Gardner-Webb College, and Wake Forest University.

Based thereon, we believe that Ms. Combs is in compliance with applicable laws and regulations governing conflicts of interest.

Sincerely,

Frank Q. Nebeker, *Director.*

U.S. OFFICE OF GOVERNMENT ETHICS,
Washington, DC, July 20, 1989.

Hon. LLOYD BENTSEN,
Chairman, Committee on Finance,
U.S. Senate,
Washington, DC

Dear Mr. Chairman: In accordance with the Ethics in Government Act of 1978, I enclose a copy of the financial disclosure report filed by Thomas J. Duesterberg, who has been nominated by President Bush for the position of Assistant Secretary for International Economic Policy, International Trade Administration, Department of Commerce.

We have reviewed the report and have also obtained advice from the Commerce Department concerning any possible conflict in light of the department's functions and the nominee's proposed duties. As reported on Schedule A of his SF 278 financial report, Mr. Duesterberg and his family have holdings in Apple Computer, IBM, Squibb, Upjohn, Millipore Corp. and Flag Investors Telephone Income Fund. The Commerce Department has granted Mr. Duesterberg a waiver under 18 U.S.C. § 208(b) as to any particular matters affecting these entities except in matters affecting them as a party in a matter involving specific parties, such as a contract, investigation or license. Mr. Duesterberg has recused himself from official involvement in any such specific party matters concerning the entities. Based on the foregoing, we believe that Mr. Duesterberg Is in compliance with applicable laws and regulations governing conflicts of interest.

Sincerely,

Frank Q. Nebeker, *Director.*

U.S. OFFICE OF GOVERNMENT ETHICS,
Washington, DC, July 28, 1989.

Hon. LLOYD BENTSEN,
Chairman, Committee on Finance,
U.S. Senate,
Washington, DC

Dear Mr. Chairman: In accordance with he Ethics in Government Act of 1978, I enclose a copy of the financial disclosure report filed by Dr. Wade F. Horn, who has been nominated by President Bush for the position of Commissioner, Administration on Children, Youth and Families/Director, Children's Bureau of the Department of Health and Human Services.

The report has been reviewed and advice obtained from the Department of Health and Human Services concerning any possible conflict in light of the Department's functions and the nominee's proposed duties. Upon confirmation, the nominee has indicated that he will resign from his positions with Children's Hospital National Medical Center and George Washington University as well as suspend his private practice. Subject to the fulfillment of these commitments, we believe that Dr. Horn will be in compliance with applicable laws and regulations governing conflicts of interest.

Sincerely,

Frank Q. Nebeker, *Director.*

U.S. OFFICE OF GOVERNMENT ETHICS,
Washington, DC, July 24, 1989.

Hon. LLOYD BENTSEN,
Chairman, Committee on Finance,
U.S. Senate,
Washington, DC

Dear Mr. Chairman: In accordance with the Ethics in Government Act of 1978, I enclose a copy of the financial disclosure report filed by Gwendolyn S. King, who has been nominated by President Bush for the position of Commissioner, Social Security Administration of the Department of Health and Human Services.

The report has been reviewed and advice obtained from the Department of Health and Human Services concerning any possible conflict in light of the Department's functions and the nominee's proposed duties. Based thereon, we believe that Ms. King is in compliance with applicable laws and regulations governing conflicts of interest.

Sincerely,

Frank Q. Nebeker, *Director.*

25-699 (64)